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ECONOMIC CONDITIONS IN THE EUROPEAN SATELLITES

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CIA/RR PR-99

(ORR Project 10.140A)

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FOREWORD

In this report, emphasis has been placed on economic phenomena which reveal Satellite capabilities and intentions in the economic sphere. Particular attention has been paid to the revised economic plans in the Satellite countries -- the so-called "new course." In addition, a detailed analysis of the growth of gross national product, industrial production, agriculture, consumer welfare, population, and foreign trade has been presented. The estimates of gross national product, perhaps better than any other single measure, reveal the direction and scale of economic growth in the European Satellites, while more detailed insight into Satellite capabilities may be derived from study of industrial production and agriculture -- commodity by commodity, and industry by industry.

The projections of gross national product to mid-1956 were made on the assumption that there will not be general war within the period of the estimate. Statistics through 1953 used in Sections III, IV, V, VI, and VII are estimates of the past, whereas data for 1954-56 are projections of past data. The term "European Satellites" as used in this report includes Albania, Bulgaria, Czechoslovakia, East Germany, Hungary, Poland, and Rumania.

CONTENTS

Charts

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~~S E C R E T~~

ECONOMIC CONDITIONS IN THE EUROPEAN SATELLITES*

Summary

Soviet control over the European Satellite economies is firmly established. Foremost among the control devices are the Satellite governments, all of which acknowledge the leadership of Moscow in formulating broad economic policies. The Soviet-sponsored Council for Economic Mutual Assistance (CEMA) is a potential instrument for the formulation and administration of economic plans embracing both the USSR and the Satellites. Soviet operational control of the Satellite economies is manifested chiefly through Soviet-owned corporations, Soviet-dominated joint corporations, and various types of missions operating within the Satellites.

In 1953 the economic plans of all the Satellites were revised. The extent of the revisions varied from country to country, but in most instances they involved some reallocation of resources to agriculture from industry and to light industry from heavy industry. Under the revisions, production of consumer goods was to be increased appreciably, and a larger proportion of budgetary expenditures was to be devoted to housing and to social and cultural benefits. Emphasis continued, however, on fuels, power, and metals production.

The economic policy revisions of 1953 include various measures for the expansion of agricultural production, especially production of animal products. The inducements to peasants to increase their output include price increases and other concessions on compulsory deliveries, tax reductions, increased availability of consumer goods, adjustment of peasants' debts, and increased amounts of farm machinery and technical assistance. A tendency on the part of some of the Satellite governments to hold back and modify the benefits promised by these programs is nevertheless evident. Moreover, although some immediate relief from the pressure for collectivization

* The estimates and conclusions contained in this report represent the best judgment of ORR as of 30 September 1954.

~~S E C R E T~~

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has been provided, Communist officials have reaffirmed the long-term goal of complete socialization of agriculture.

The gross national product (GNP) of all the Satellites combined now approximates 36 percent of that of the USSR. A growth in overall Satellite GNP of between 4 and 5 percent per year is expected through 1956. In 1953, for the first time since the war, the Satellite GNP attained the level of 1938. The all-Satellite GNP in 1953 was about US $45 billion (in 1951 US $), which represented an increase of about 5.5 percent over 1952 and about 16 percent over 1950.

The growth of GNP in the European Satellites, however, has been uneven as among individual countries. In the 3-year period since 1950, East Germany, Bulgaria, and Hungary (in that order) have made the largest gains in GNP, while Czechoslovakia and Poland show rather small increases. In 1953 the East German GNP was still an estimated 13 percent below the 1938 level, whereas the GNP of Poland and Rumania approximated the prewar level, and the GNP of Bulgaria, Hungary, and Czechoslovakia materially exceeded it.

An analysis of GNP by sector of origin shows the emphasis which the European Satellites have placed on development of industry, transportation and communications, and construction. For the countries as a group, the output originating in these sectors has increased by about one-third since 1950, while the output of the agriculture, services, and trade sectors has changed only slightly. Output of agricultural commodities in the European Satellites not only has failed to recover to prewar levels but declined from 1951 to 1952 and, to a lesser extent, from 1952 to 1953. It is not expected that the increased investment in agriculture and the incentives offered to the individual peasants will greatly affect agricultural output by mid-1956.

Within the industrial sectors, the European Satellites made important gains from 1952 to 1953 in the production of energy, metals, machinery and equipment, chemicals, building materials, and light and textile products. Output of forest products declined in four of the countries while increasing in three, and food processing declined from 1952 to 1953 for the countries as a group. The northern Satellites (Czechoslovakia, East Germany, and Poland) predominate in the production of most types of industrial goods. Satellite production of synthetic petroleum, lignite, and brown coal is substantially greater than that of the USSR, while the output of electric power and hard coal (bituminous coal and anthracite) is

about one-half that of the USSR. The Satellites make important contributions to total Soviet Bloc output of refined lead, antimony, electric motors, metalworking machinery, railway equipment and tractors, various basic chemicals, and cement and bricks.

The per capita production of consumer goods in the European Satellites has remained for the most part below prewar levels. Per capita food consumption in calories, a significant indicator of consumer welfare, is expected to equal prewar level in the year ending 30 June 1954 only in the case of Poland. The estimated decline from prewar levels in the other countries ranges up to about one-sixth for Rumania and East Germany. On the other hand, a significant gain in per capita food consumption is expected from 1952-53 to 1953-54 -- a gain which would generally restore the food consumption levels of 1951-52. The consumer in the Satellites has, however, suffered a qualitative reduction in his diet compared with prewar standards, with grain products and potatoes being substituted to some extent for meat, fats, and oils. In the case of manufactured consumer goods, important increases in production were achieved throughout the period 1948-53 in Bulgaria, East Germany, Hungary, and Rumania. Per capita production of such goods has leveled off or declined slightly in Czechoslovakia and Poland, the two countries which reached their prewar outputs most rapidly after the war.

The population of the Satellites, which has been increasing at an annual rate of from 0.5 to 1 percent during the past several years, amounted to 92 million persons in 1953. This is 43 percent of the population of the USSR. Continued increases of about 1 million persons per year are expected through 1956. The proportion of the total population in the age group from 15 to 59 is expected to decline in the near future, and the effect should be to place a limit on expansion of the labor force. Nevertheless, some growth in the labor force is likely. This will come about with increased employment of women and the drawing of a larger percentage of the population into the labor force. It is estimated that the labor force in 1956 will have increased to some 44.7 million from about 43 million persons in 1953.

The foreign trade orientation of the European Satellites has been increasingly in the direction of the USSR. Satellite trade with Western countries declined from more than four-fifths of the total before the war to less than one-third of the total in 1951 and 1952. During the same period, their trade with the USSR

increased from 1 percent to 34 percent of the total. Czechoslovakia, Poland, and, to an increasing extent, East Germany rank next to the USSR as trading partners of the individual Satellites. Trade with Communist China has increased greatly during the past 3 years but is still a small fraction of the total trade. As part of the revised economic policy, the Satellites have announced their intention to expand trade not only with other Soviet Bloc countries but also with the West.

I. Soviet Control over the Satellite Economies.

A. Introduction.

Basically, Soviet control over the European Satellites rests on military power and on the World War II and postwar occupation of these countries by Soviet forces. Military occupation made it possible for the USSR either to set up puppet governments or to insure the dominance of Communist parties in the leftist coalitions that took over government functions and paved the way to the eventual establishment in all of the Bloc countries of governments on the Soviet pattern. The relationship of these governments to the local Communist Party organizations, and the subordination of these Satellite parties to the Communist Party of the USSR is undoubtedly an instrument for achieving some degree of unity and coherence among the economic plans of the individual Satellites and suggests that the recent changes in Satellite economic policies were sanctioned, if not initiated, by the USSR.

Within the economic sphere, Soviet control of the Satellites is exercised chiefly through Soviet agencies or representatives operating within the countries and through the Soviet-dominated Council for Economic Mutual Assistance. These two methods are discussed in the following sections.

B. Direct Control by Soviet Agencies or Representatives.

Several categories of Soviet personnel with control functions are or have been operating in the Satellites. One category consists of persons who are nominally attached to a Soviet Embassy

and who generally stay in a country for an extended period of time. For example, there are Soviet economic and commercial missions or trade delegations, which maintain close liaison with the Satellite foreign trade and production ministries and, in some instances, with their Soviet counterparts in the Soviet property administration in the particular country. A sharp distinction cannot always be made between Soviet personnel in such missions and another category consisting of "advisers" on more or less temporary assignments, who may enter the country for only a few days or weeks for "cultural" or propaganda purposes.

A related category is represented by Soviet inspectors, who check Satellite production for conformity with Soviet specifications regarding quality, quantity, and delivery schedules. The Soviet military missions in the Satellites have special sections for inspection of military equipment produced for the USSR. In Hungary, according to one source, a permanent contingent of 10 to 15 Soviet inspectors is assigned to each factory producing military items. 1/* It is not clear whether their responsibility "for the proper manufacture and the prompt delivery of the products" involves functions of management as well as inspection.

Another method of control is through direct ownership of property, complete or partial. The USSR acquired property holdings in the Satellites by various means. Apart from the widespread dismantling and removal of plant facilities and other property to the USSR after the war, many Soviet-owned enterprises and Soviet-Satellite "joint corporations" were formed. The extent of such activities was due in part to a distorted interpretation by the Soviet authorities of what constituted former enemy assets and was therefore subject to seizure.

Key industrial plants thus came under Soviet ownership or control, especially in East Germany, Hungary, and Rumania. In Poland, some property in the German area acquired by Poland was removed to the USSR, and a few large agricultural estates were taken over by the USSR to obtain food for the Soviet occupation forces. No Soviet enterprises or joint companies, however, were established in that country. In Czechoslovakia, early postwar Soviet acquisitions were relinquished in 1946, but uranium mines

* Footnote references in arabic numerals are to sources listed in Appendix D.

were taken over later and apparently are still in Soviet hands.

In recent years the USSR has relinquished ownership and control of many companies to the Satellite governments, though sometimes with strings attached. This has happened in East Germany, for example, where some 200 enterprises wholly owned by the USSR were formed originally and made directly responsible to a central Soviet organization in Berlin -- the Administration of Soviet Property in Germany. In 1947, 74 of the less profitable plants were returned to the East German government, as were 31 in 1950 and 66 in 1952, at which time it was declared that some 33 remained under Soviet ownership. In August 1953, as a part of the general concessions announced by the USSR after the June 1953 rioting, an agreement was signed, providing, among other things, for the cancellation of the remaining 430-million-DME (Deutsche Mark East) debt for the 66 Soviet enterprises returned in 1952 and for the return without compensation, on 1 January 1954, of all those remaining except the Wismut uranium-mining organization. 2/ The Wismut organization was supposedly transformed into a joint Soviet-East German corporation at this time, but it is believed that the USSR has retained effective control of the enterprise and that it will continue to operate as in the past. 3/

In the case of Hungary, the enterprises acquired by the USSR as former German assets were sold to Hungary at the time of the termination of reparations payments by Hungary on 20 January 1953. Shipments of Hungarian goods over and above those scheduled in trade agreements were arranged as partial compensation for the plants purchased. 4/

Ostensibly there is a considerable difference between the Soviet-owned enterprises and the joint corporations. In practice, however, Soviet control has been nearly as strong in the latter type as in the former. In most instances, the chairman of the board of directors of the joint company has been a national of the Satellite country, but the general manager has been a Soviet national who is empowered to negotiate agreements, carry out banking transactions, and handle personnel and other administrative matters. These companies have enjoyed broad tax concessions and high priorities for labor, materials, and equipment. According to one source, a fixed level of profits has been guaranteed to the USSR without reference to actual profits. 5/

These companies were generally capitalized equally by the USSR and the Satellite concerned, with the Soviet contribution typically taking the form of a transfer of confiscated German assets. It has not been possible to ascertain whether the USSR actually provided Soviet-produced capital equipment for these joint companies or merely transferred or reduced reparations or other obligations of the Satellite concerned as part of its contributions. 6/ There is evidence that technicians (engineers, workmen, and the like) have actually been provided, however, and Soviet-produced capital goods have been provided the Satellites under trade agreements and other economic protocols.

Precise determination of the extent of control over Satellite economies through joint companies in Bulgaria, Rumania, and Hungary is not possible. In Hungary the oil, aluminum, coal, metallurgical, and machinery industries are controlled to various degrees by the joint companies. 7/ In Rumania it appears that the oil, metallurgical, and machinery industries, and through them most of Rumanian heavy industry are dominated. 8/ There is no information available to demonstrate that joint companies with the privileges and functions of such establishments in Hungary and Rumania have been formed in Czechoslovakia or Poland. Because of the previously mentioned preferred position of the joint companies, the USSR is in a position to influence strongly the direction of industrial development within certain Satellite countries merely by expanding or changing the output plans of these companies. In addition, if the USSR decides to reinvest the profits of any of these joint companies, the Satellite government may be forced to allocate additional capital to these companies on a matching basis. 9/

C. Control through CEMA.

The Council for Economic Mutual Assistance (CEMA, also referred to as COMECON) is one of the chief mechanisms through which the USSR exerts control over the Satellite economies. CEMA was created on 18 January 1949 with the signing of a protocol by representatives of the USSR, Czechoslovakia, Hungary, Rumania, Bulgaria, and Poland. 10/ Albania joined the organization the following month, and East Germany became a participant in late 1950.

CEMA appears to have been established in part as a Soviet response to the inauguration of the Marshall Plan for Western

Europe. Consequently, it has been pictured officially as an instrument for channeling Soviet aid to the "people's democracies" of Eastern Europe and for promoting cooperation among the "equal" partners of the Soviet Bloc.

Comparatively little specific information about the actual functioning of CEMA is available. It is in fact difficult to show that it has an organic position in the Soviet government or has established liaison with a particular part of the Soviet government such as the Foreign Trade Ministry, Foreign Affairs Ministry, or Gosplan, although some indications point in this last direction. In any event, CEMA does not appear to have become the exclusive instrumentality for carrying out Soviet policies regarding the Satellite economies.

The text of the protocol establishing CEMA has never been made public. According to the information which is available, the purposes of the organization as set forth in the protocol include the following 11/:

1. Coordination of the economies of the member countries within a general economic plan developed by the Council.
2. Supervision of the development of the resources and industries of the various countries to create a well-balanced whole.
3. Promotion of economic reconstruction in each country.
4. Expansion of each country's productive capacity by establishing mixed companies or associations for exploitation of its resources.
5. Exchange of information and standardization and improvement of industrial products.
6. Arranging for investments or loans and for assured sales or products.

In addition to these sweeping aims, the protocol reportedly contains a provision to the effect that, beginning in 1950, the economic plans of the member countries are to be drawn up in conformity with the advice of the Council. Furthermore, each country is required to make available all information necessary to facilitate the tasks of observers whom the Council may find it advisable to send into the country. There is also an obligation to accept and carry out advice of any counselors and technicians sent by the Council. 12/

According to the protocol, CEMA was set up with a Council and a Secretariat General. The Council, which appears to have become subsequently a Supreme Council assisted by a Subordinate Council and a Technical Council, 13/ was to meet "whenever necessary" but not less often than every 3 months, each time in a different country from that of the last meeting. Each country apparently has sent from 1 to 4 delegates to the Council (or Supreme Council) sessions, with the chairman of the country's economic planning commission heading the delegation. Other delegates may include the planning commission's deputy chairman, the minister or deputy minister of foreign trade, and an official of the section of the Communist Party's central committee. The chief of the delegation from the USSR has been at different times identified as A.N. Kosygin, A.I. Mikoyan, V.M. Molotov, and M.Z. Saburov, 14/ who are (or have been) leading figures in the Soviet ministries of foreign trade and foreign affairs and in Gosplan.

The Secretariat General, sometimes referred to as the Executive Committee, has its permanent seat in Moscow. Each country is represented in it by a permanent delegate, who may ostensibly be attached to the country's diplomatic mission. The identity of these delegates is uncertain in most instances, although there is some evidence that they are typically high officials in the respective planning commissions. 15/ It is presumed that they provide liaison between CEMA and the Satellite commissions. 16/

Relatively little is known about the composition and operation of the CEMA Secretariat. According to one source, it includes some 2,000 "specialists" 17/ (presumably excluding clerical workers), 70 percent of whom are nationals of the USSR. The existence of a group of this size is entirely credible if the Council and its Secretariat are performing at least some of the functions outlined in the protocol. It seems likely that the Secretariat does the staff work for the Council, whose functions were described in the protocol in rather general terms. There is also evidence that the Secretariat General is empowered to make major decisions implementing the protocol, the decisions being subject to ratification by the Council at its next meeting. Moreover, the protocol specifically obligates the member governments to send to the Secretariat a detailed monthly report concerning production "and any other documentary material pertinent to the economic and financial situation of the country." 18/

The program of standardization of industrial products mentioned in the protocol appears to have been partially implemented. There are also examples of joint industrial projects, which are apparently inspired and promoted but not administered in detail by CEMA. 19/ Entire factories with complete equipment have been transferred from one country to another. 20/ Czechoslovakia and Hungary have a coordinated program for production of rolled steel, 21/ Czechoslovakia and Poland have a joint program for aluminum production, 22/ and Hungary and Rumania have formed a joint company (ROMAGCHIM) for development of Rumanian natural gas resources. 23/

Some Soviet and Satellite spokesmen have stressed CEMA's efforts in promoting and coordinating intra-Bloc trade. The role of CEMA in this field is difficult to assess. A Czechoslovak defector has asserted that all foreign trade plans are worked out in CEMA and that, at least in the case of Czechoslovakia, the plans have been transmitted to the Czechoslovak State Planning Commission for implementation. 24/ CEMA may exercise some type of control over trade, but it seems doubtful that trade planning has been centralized to this extent.

It is reported that a decision was reached at the August 1949 meeting of CEMA in Moscow that the member countries should conclude long-term trade agreements to provide closer economic ties with one another. 25/ It is claimed that in this way the resources of the various countries are made to supplement one another and the long-range economic development of the countries is facilitated. 26/

It seems clear that CEMA has furthered the economic integration of the Soviet Bloc countries and is a potential instrument for the formulation and administration of economic plans embracing both the USSR and the European Satellites. The Satellites have already adopted the Soviet pattern of economic organization and Soviet techniques of economic planning and administration, and there can be little doubt that their economic plans reflect broad objectives as laid down by the USSR.

II. Revision of Economic Policies and Plans.*

A. Introduction.

To gain perspective on the reasons for the revision of economic policies in the European Satellites during 1953, a look at the economic situation in the preceding period will be useful. The situation in agriculture throughout the Satellites in 1952 and 1953 was deteriorating rather than improving. Shortages of meats and fats were severe, and prices of food products were relatively high. In most of these countries, agricultural production in 1952 and 1953 was below the prewar level (or had increased less than population) and was, moreover, lower than during the two preceding years (see Section IV). The priorities given to industrial growth had an adverse effect on both the quality and the size of the agricultural labor force. In view of some of the measures announced to increase farm output, it also seems clear that the aggressive policies designed to force the peasants into collectives had a depressive effect on production. Because of these and other factors (including weather conditions, which were not especially favorable in 1952), it was often impossible to collect the delivery quotas levied on the farmers.

As a result of this poor performance, the Satellites could not begin to meet their announced goals for increasing the level of food consumption and the supply of agricultural raw materials to light industry. A further effect was the limitation of the quantity of farm products available for export to the West in exchange for badly needed industrial raw materials and machinery. Lagging food supplies and housing construction in 1953 continued to cause widespread dissatisfaction among industrial workers. In the drive to reach the priority goals of heavy industrial production, the Satellites had in general neglected consumer goods and

* The discussion of Satellite economic policies in this section is based on Satellite official statements, taking account of their past performance and their expectations for the future. In most instances the methodology and prices entering the construction of official Satellite indexes are unspecified, but it is believed that the trends shown in these indexes are useful indicators of the direction of economic development. The CIA appraisal of economic activity is contained in other sections, with indexes based on CIA estimates of output of selected goods and services.

services.* The output of such goods and services was limited in both volume and quality, with consequent bad effects on the morale of workers.

In the industrial sectors of the economies, continued expansion was hampered by the difficulties encountered in attaining planned production of basic raw materials and electric power. For example, in 1952, East Germany failed to fulfill its production plan for bituminous coal 27/; Hungary produced about three-fourths of the planned output of coal and of electric power 28/; and Czechoslovakia failed to reach its goals for iron ore, coal, electric power, and certain other basic materials. 29/

It should be noted, however, that the seriousness of these problems varied a good deal from country to country. Because of its sharp decline in population in World War II and its greatly increased industrial production capacity following the postwar boundary changes, Poland, for example, was able to achieve rapid increases in per capita industrial output. The situation in agriculture was less favorable, although not so serious as in several other Satellites. Poland's success in achieving its industrial development plans possibly explains its announcement of economic policy revisions several months after this was done in East Germany and Hungary.

During the last half of 1953, revisions of economic policies were announced in some form by each of the European Satellites as well as by the USSR. The first Satellite announcement was made by East Germany on 9 June (8 days before the widespread rioting). On 4 July, Hungary announced a "new economic policy." Revised economic programs were made public in Albania between 22 June and 8 September, in Rumania on 22 August, in Bulgaria on 8 September, in Czechoslovakia on 15 September, and in Poland on 29 and 30 October. The revisions for the USSR were announced in August. The occurrence of all of these statements within a 5-month period creates a strong presumption that the plans were somehow coordinated, and the general similarity of the revisions supports this impression.

* See Sections IV and V for a detailed discussion of food production and the availability of consumer goods.

B. Policy Revisions.

Certain common features are observable in the revisions of economic policy announced in 1953, although exceptions and differing degrees of emphasis are found in one country or another. The major characteristics of the revised policies are described in the paragraphs which follow.

1. Industrialization.

Correction of imbalances which have developed in the Satellite economies is a primary aim in the "new course." These maladjustments are the result, first, of overemphasis on industrial development at the expense of agriculture and, second, of concentration of resources during the past several years on the development of heavy industry at the expense of housing construction and light industry (for example, textiles, shoes, processed foods, and consumer durables). Premier Siroky characterized Czechoslovakia's revised policy as one of "proportionate growth." 30/ Other Satellite officials have made similar statements about the objectives of the programs announced last year.

2. Investment.

In conjunction with the aim of more balanced economic growth, the Satellites plan cutbacks and/or reallocations of capital investment. In general, increased proportions of total investment will go to agriculture as against industry, and a larger share of industrial investment funds will be expended on consumer goods industries and on facilities for the production of power and metals rather than on the engineering industries. In some cases, agricultural investment will consist largely of the expansion and equipping of the state machine and tractor stations and the state farms, together with the granting of long-term credits to agricultural producer cooperatives for such developmental work as construction of farm buildings, electrification, irrigation, well-digging, soil improvement, afforestation, and planting of orchards and vineyards. In other instances, a program which includes greater assistance to private farmers was announced. In Hungary, for example, credits for certain purposes are to be made available to independent farmers as well as to the cooperatives. 31/

3. Agriculture.

The special emphasis given to the improvement of the faltering agricultural sector of the economies is shown not only in the revised investment plans but in a number of other measures. Increased agricultural production is to be promoted by reducing the pressure for collectivization for an indefinite period and by providing other incentives to the farmers. Some of the Satellites announced that farmers could leave the collective farms (agricultural producer cooperatives) if they desired to do so and that a collective could be disbanded on demand of its members. 32/ When peasants in Hungary hastened to leave the collectives in large numbers, these promises were hedged by limitations. This phase of the program was toned down in subsequent announcements in other countries. The long-term goal of complete socialization of agriculture through the "voluntary" action of the peasants has, moreover, been reaffirmed.

Assistance to farmers is to include increased availability of machinery services, tools, and fertilizers and the improvement of grain seeds and livestock. Much greater use is to be made of the services of technical experts, and the state farms are to take a leading role in the development and demonstration of more effective farming methods.

Measures intended to induce greater agricultural output also included, in most of the countries, (a) lower delivery quotas or promises that quotas would not be increased for a time, (b) permission to farmers to substitute certain commodities in filling their delivery quotas, (c) higher prices for farm products delivered under the quotas, (d) increased allotments of land to members of cooperatives for their private use, (e) cancellation or reduction under certain circumstances of land taxes, delivery quotas in arrears, and fines imposed for nondelivery of commodities in accordance with quotas and (f) increased supplies of manufactured consumer goods. Such measures, do not, however, eliminate all discriminatory treatment of the independent farmers. Reduction of taxes or delivery quotas are typically less for such farmers than for members of agricultural producer cooperatives. Concessions with respect to agriculture appear to be of greatest extent in Hungary and of least significance in Poland.

4. Scale of Living.

Promises of material improvement in living conditions are very prominent in the announcements. These promises are reflected in various measures providing for (a) price reductions for consumer goods, (b) increased quantity, quality, and variety of consumer goods, (c) improved retail distribution of goods, particularly in rural areas, and (d) selective wage increases and better working conditions.

5. Trade.

There is to be increased intra-Soviet Bloc trade and greater integration of the Soviet and Satellite economies in the future. Such aims, together with the reduction of production goals for heavy industry, are associated with the disavowal by Satellite officials of the goal of national self-sufficiency. According to the chairman of Czechoslovakia's State Planning Office, parts of the economies of the USSR and most of the Satellites will be coordinated during the period 1956-60, and long-term trade agreements will be concluded. 33/ Premier Nagy of Hungary stated that the general direction of development of the "people's economy" must be modified from a striving after self-sufficiency and exaggerated industrialization to increasing participation in the international exchange of goods and growing cooperation and trade with the USSR, the other People's Democracies, and Communist China. 34/

The major European Satellites have also announced intentions to expand trade with the West. In general, increased imports of foodstuffs and other consumer goods from the West in exchange for manufactured goods are desired. (See Section VII for discussion of Satellite trade policies.)

C. Plan Revisions.

Implementation of the Satellites' revised economic policies is shown to some degree in the changes in their economic plans which took place in the latter part of 1953. These plan revisions are discussed in the sections which follow -- first in summary form for all of the Satellites except Albania and then country by country in somewhat greater detail.

1. Summary of Plan Revisions.

a. Production Plans.

In Czechoslovakia, Hungary, and Poland, planned increases in industrial production in 1954 show a sharply decreasing rate of growth compared with 1952 and 1953, whereas in Bulgaria the decline in the 1954 planned rate of growth is not so sharp compared with the year before, and in East Germany the planned increase in production in 1954 is slightly greater than in 1953 (see Table 1* and Fig. 1**). These somewhat divergent planned rates of growth for 1954 are due primarily to special circumstances within the Satellites. Normally, it could be expected that after the period of reconstruction after the war was over, production in the Satellites would increase at a decreasing rate, and this is borne out by the CIA estimates of changes in industrial production since 1948. (See Section III, Table 22.***) The declining rate of increase in Poland's industrial production is in accordance with its long-term plan. East Germany was probably able to plan about the same rate of increase in 1954 as in 1953 because the cessation of reparations deliveries will leave the economy with more resources for its own needs. In Hungary and Czechoslovakia there is evidence that original plans were overly ambitious. In 1953, Hungary planned to increase industrial production by 16 percent over 1952 but reported officially an increase of only 11.8 percent. Czechoslovakia had planned an increase of 18.4 percent for 1953 and achieved only 10 percent according to official reports. Rumania also failed to meet production goals in 1953 by a considerable margin; the planned increase was 24 percent and the officially reported increase was 14.4 percent.

The emphasis of Satellite propaganda with regard to the "new course" has not, however, been on changes in the overall rate of growth of the economy, but rather upon changes in the "proportions" of production. All of the Satellites emphasize increasing investment in the production of coal, electric power, agricultural products, and consumer goods. They have also allocated a greater proportion of budgetary expenditure to housing and to social and cultural purposes. There has been some

* Table 1 follows on p. 17.
** Following p. 16.
*** P. 44, below.

divergence in emphasis, however, with respect to these policies. Bulgaria has given little evidence of planning any unusual increase in consumer goods production, and Rumania has not been able to increase production sufficiently to cut prices of consumer goods. Hungary and East Germany have shown the greatest interest in putting additional consumer goods on the market.

Table 1

Officially Announced Annual Rates of Increase in Industrial Production in the European Satellites
1952, 1953, and 1954 Plan

Country	1952 Reported	1953 Reported	1953 Plan a/	1954 Plan
Albania	N.A.	22.0 35/	29.4 36/	N.A.
Bulgaria	18.0 37/	12.0 38/	9.8 b/ 39/	9.8 b/ 40/
Czechoslovakia	18.3 41/	10.0 42/	18.4 43/	5.1 44/
East Germany	15.6 45/	12.5 46/	12.5 c/ 47/	13 48/
Hungary	23.6 d/ 49/	11.8 50/	16.0 51/	4.5 52/
Poland	20.0 53/	17.5 54/	N.A.	10 to 11 55/
Rumania	23.0 56/	14.4 57/	24.0 58/	N.A.

a. Refers to long-term plan as it existed before the year 1953, except in case of Bulgaria where the 1953 plan was reported fulfilled in 1952.
b. Compound annual rate for Second Five Year Plan (1953-57).
c. Revised plan called for 10.2-percent increase for 1953.
d. Total manufacturing and mining only.

All of the Satellites plan to increase agricultural production, particularly of livestock. Little specific information on changes in planned output of agricultural commodities for the next several years is available. Nevertheless, reported changes in planned industrial production and in the planned amounts and allocations of investment funds leave little doubt that the goals for the countries' agricultural sectors have been increased. In each Satellite except Bulgaria, where collectivization is most advanced, the private farmers have been promised additional aid.

The countries other than Bulgaria are especially dependent on increasing the production of the private farms because the major portion of the land is still privately held. (See Appendix A, Table 52* for data on the extent of the socialized sectors of agriculture in the Satellites.)

b. Investment Plans.

Total planned investment has been cut for 1954 by 35 percent in East Germany and by 14 percent in Hungary under the reported 1953 investment (26 percent under planned 1953 investment in Hungary). In Poland, the absolute amount of investment in 1954 is planned at the same level as in 1953, but the proportion of national income going to capital formation will be smaller. In Czechoslovakia, total planned investment for 1954 is 16 percent below that of the original Five Year Plan (1949-53), whereas budgeted investment is about 5 percent above the 1953 level. In Bulgaria, the budget calls for an increase of about 9 percent in funds for investment. The amount of planned investment in Rumania in 1954 will be increased by 11.5 percent.

All of the Satellites have reallocated their investment funds, increasing the share for light and food industries, usually at the expense of heavy industry; but basic industry, including fuels, electric power, and metallurgy, continues to receive special emphasis. Investment in agriculture will be increased substantially in Hungary, Czechoslovakia, Poland, Rumania, and Bulgaria. Increased investments in housing construction and repair and social-cultural facilities are scheduled in most of the Satellites. In most instances these changes are directed at remedying the relative neglect of the sectors of the economy supplying consumption goods and services. The basic direction of economic development toward industrialization remains unchanged, however.

2. Plan Revisions.

a. Bulgaria.

(1) Industrial Production Plans.

Bulgaria's industrial production is now planned to increase 60 percent from 1952 to 1957, 59/ or at a compound annual rate of 9.8 percent. This is a good deal lower than the

* P. 101, below.

officially reported increases of 12 percent in 1953, 60/ 18 percent in 1952, 61/ and 19 percent in 1951. 62/ The large rates of increase in 1951 and 1952 are the result of Bulgaria's successful effort to complete its First Five Year Plan in 4 years, that is, in 1952 instead of 1953. Bulgaria will continue to emphasize increases in output of fuels, power, metals, chemicals, and machinery rather than such consumer goods as processed foods and textiles. This is shown by the indexes of planned industrial production in 1957 in Table 2.

Table 2

Indexes of Planned Industrial Production in Bulgaria
1957

1952 = 100

Total Industrial Production 63/	160	Chemical Industry 73/	200
All Coal 64/	189	Building Materials 74/	180
Lignite Coal 65/	270	Timber Industry 75/	146
Soft Coal 66/	160	Electric Power 76/	200
Hard Coal 67/	250	Food Industry 77/	150
Anthracite Coal 68/	200	Textile Industry 78/	153
Pig Iron 69/	1,600	Furniture 79/	200
Rolled Steel 70/	1,000	Rubber 80/	190
Lead 71/	550	China and Faience 81/	175
Machine Building and Metal Processing 72/	183	Glass 82/	200

(2) Investment Plans.

Planned state capital investment in Bulgaria in 1954 is about 9 percent higher than that reported for 1953. Investment in the rural economy is to be increased about 36 percent over 1953, whereas nonagricultural investment is planned to decline 7.4 percent. In addition to a reallocation of state investment in favor of the rural economy, available information also indicates a shift within the industrial sector toward much more public and residential construction. The extrabudgetary investment planned by production enterprises for 1954 will presumably be industrial for the most part. A comparison of this element of investment in 1954 with that

of 1953 cannot be made, however, because data for the latter year are not available. Table 3 presents data concerning investment by the state and by production enterprises in Bulgaria for 1953-54.

Table 3

Investment by the State and by Production Enterprises in Bulgaria 83/ 1953-54

Million Leva

	1953 Reported	1954 New Plan	Percent Increase 1953 to 1954
Investment by the State	3,441 a/	3,746 b/	8.9
Rural Economy	1,298	1,762	35.7
Other	2,143	1,984	-7.4
Construction, Public Buildings	N.A.	N.A.	40
Construction, Residential	N.A.	N.A.	80
Investment by Production Enterprises	N.A.	1,317	
Total	N.A.	5,063	

a. Planned investment of 5,325 million leva was not realized.
b. Calculated as 22 percent of total planned budgetary expenditure of 17,027 million leva.

Planned capital investment under Bulgaria's Second Five Year Plan (1953-57) is 2.3 times as great as that reported for the preceding 4 years. The percentage increase for the rural economy is the same as for the economy as a whole, while planned investment in industry is twice the 1949-52 figure. Much greater expansion is planned for some industries than for others. For example, investment in coal mining will be 5 times that of the First Five Year Plan and housing 3.7 times as great. Table 4 presents indexes of planned capital investment in Bulgaria during the Second Five Year Plan.*

* Table 4 follows on p. 21.

Table 4

Indexes of Planned Capital Investment in Bulgaria
Second Five Year Plan, 1953-57 84/

	1949-52 = 100
Total Capital Investment	230
Rural Economy a/	230
Industry	200
Coal Mining	500
Electrification	190
Light and Food Industry	210
Transportation and Communications	130
Education, Culture, Health	270
House Building	370

a. Includes state funds only.

(3) National Budget.

Bulgaria's national budget for 1954 calls for a somewhat lower total state expenditure than planned in 1953, and the national economy is allocated a smaller percentage of this total than in 1953 (see Table 5*). Budget expenditures for the rural economy are higher in absolute amount and as a percentage of the total than in 1953. Even so, the nonagricultural part of the national economy is allocated over two-fifths of 1954 budgetary expenditures. In absolute amounts, state expenditures on defense for 1954 are cut slightly from 1953, while spending on social welfare, education, and culture is increased slightly.

* Table 5 follows on p. 22.

Table 5

Planned National Budget of Bulgaria
1953 and 1954

	1953 85/	1954 86/	Change 1953 to 1954 (Percent)
Totals (Million Leva)			
Revenue	19,021	18,227	-4.2
Expenditure	17,973	17,027	-5.3
Distribution of Expenditures (Percent)			
National Economy	58.4	55.6	
Rural Economy	11.0	14.4	
Industry and Other	47.4	41.2	
Defense	11.6	11.4	
Social Welfare, Education, and Culture	19.4	21.4	
Administrative and Other	10.6	11.7	
Total	100.0	100.0	
Change in Expenditures from 1953 to 1954 (Percent)			
National Economy		-9.9	
Rural Economy		+23.4	
Industry and Other		-17.6	
Defense		-6.8	
Social Welfare, Education, and Culture		+4.4	
Administrative and Other		+4.3	

b. Czechoslovakia.

(1) Industrial Production Plans.

One of the gravest problems currently facing Czechoslovakia is the shortage of such basic materials and utilities as coal, iron, and electric power. The September 1953 plan revisions

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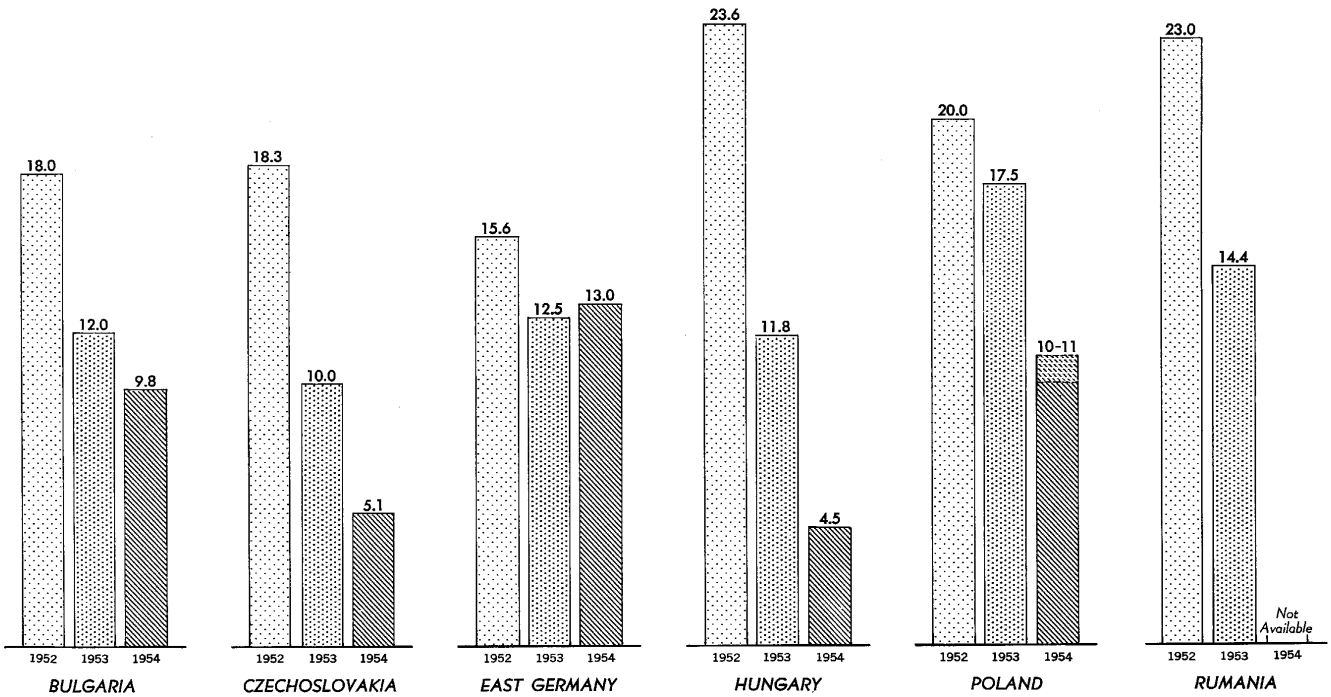
Figure 1

EUROPEAN SATELLITES*

OFFICIALLY ANNOUNCED ANNUAL RATE OF INCREASE IN INDUSTRIAL PRODUCTION, 1952, 1953, and 1954 PLAN

(In Percent)



13283 5-54

*Excludes Albania

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show that an amelioration of this situation is a major aim of Czechoslovak economic policy. Czechoslovakia's Five Year Plan for the period 1949-53 was first revised in 1951. In September of 1953 the annual plan for 1953 was revised again, and a new plan was developed for 1954. Industrial production in 1953, which under the plan revision of 1951 was to increase 18.4 percent, 87/ actually increased only 10 percent 88/ according to official claims.* An increase in industrial production of 5.1 percent from 1953 to 1954 is now planned. 90/ This may be compared with the compound annual rate of increase of 14.9 percent for the Five Year Plan period which is implied by the total increase of 100 percent reported by the Czechoslovak Minister of Planning. Table 6 shows the planned production increases from 1953 to 1954 for a number of industrial products.

Table 6

Planned Increases in Production of Selected Commodities in Czechoslovakia 91/
1954 over 1953

	Percent		Percent
Mining		Rolled Material	13.4
Black Coal	8.5	Aluminum	600.0
Brown Coal	7.9	Ferrochrome	70.5
Iron Ore	10.4	Ferrowolfram	21.0
Manganese Ore	33.7	Lead	27.0
Lead-Zinc Ore	15.3		
		Engineering Products	10.6
Electric Power	12.2		
		Chemical Fertilizers	
Metallurgical	8.3	Phosphates	19.8
		Nitrates	19.3
Pig Iron	4.5		
Steel	13.4		

* This represents 99-percent fulfillment of the latest revision of the 1953 plan. 89/

(2) Investment Plans.

Total state investment in Czechoslovakia, not all of which is included in the budget, was originally planned at around 27 billion crowns (new) for 1953, and was reduced by 16 percent to 23 billion crowns at the time the revised economic policy was announced by Premier Siroky. For 1954, the plan called for the same level of 23 billion; however, the budget announced in April included only 20 billion crowns. At the same time it was announced that the realized investment in 1953 was 19 billion crowns (see Table 7). This sum may not have included some investment by state enterprises.

In the original Five Year Plan, 8 percent of the total investment was allocated to agriculture, but this proportion was lowered in 1951 when the Five Year Plan was revised to provide for accelerated growth of heavy industry. The Minister of Planning, Pucik, has admitted that there has been comparatively little investment in agriculture. Nevertheless, a 12.1-percent increase in output is planned for 1954, 92/ and increased investments in this sector will be made for mechanization of agriculture, soil improvement, and construction of farm buildings.

Table 7

Planned State Budgetary Investment in Czechoslovakia 93/
1953-54

	Billion New Crowns	
	1953	1954
Agriculture	N.A.	1.8 a/
Fuels, Power, Metallurgy	N.A.	6.3
Technical Development	N.A.	1.9
Housing	N.A.	4.5
Not Specified	N.A.	5.5
Total Budgetary Investment	19.0	20.0

a. Includes 1.5 billion crowns for long-term credits to cooperatives and 344 million crowns for short-term credits and other benefits.

(3) National Budget.

Planned Czechoslovak budgetary revenues and expenditures for 1954 are about 18 percent higher than in 1953 (see Table 8). A smaller proportion of total expenditures will be devoted to the national economy, and a larger proportion is scheduled to be allocated to cultural, health, and welfare programs. The percentage of expenditures allocated to defense in 1954 is reduced, although the actual amount of expenditure will be somewhat higher. Within the allocation for the national economy, the largest portion, nearly one-third of it, will go to the fuel, power, and metallurgical industries. Housing is allocated 22.5 percent and agriculture 9 percent of the total state investment expenditure. The expenditure for agriculture (included in "National Economy") is one-third greater than in 1953, whereas expenditures on the national economy as a whole are planned at only about 11 percent more than in 1953.

Table 8

Planned National Budget of Czechoslovakia 94/ *
1953-54

	1953	1954	Increase 1953 to 1954 (Percent)
Totals (Billion New Crowns)			
Revenue	74.4 a/	87.9	18.1 a/
Expenditure	74.2 a/	87.6	18.0 a/
Percentage Distribution of Expenditures			
National Economy	59.1	55.4	
Defense and Security	9.7	8.9	
State Debt	1.1	0.2	
Administrative	4.3	4.3	
Culture, Health, and Welfare	25.8	31.2	
Total	100.0	100.0	

* Footnote for Table 8 follows on p. 26.

Table 8

Planned National Budget of Czechoslovakia 94/
1953-54
(Continued)

a. Total revenue and expenditure in 1953 were reported as 324.3 and 323.5 billion "old" crowns respectively. Since the ratio of "old" to "new" crowns is variable, expenditure in 1953 is computed on basis of the officially stated 18 percent increase from 1953 to 1954. The implied ratio of "old" to "new" crowns is then used to obtain a figure for revenue in 1953.

(4) National Income.

According to official reports, Czechoslovak national income* is planned to increase 7.7 percent in 1954 over the previous year compared with the compound annual rate of increase of 10.7 percent achieved during the period 1949-53. A larger share of the national income will be devoted to individual consumption in 1954 -- 62 percent compared with 57 percent in 1953. 95/

c. East Germany.

(1) Industrial Production Plans.

According to official statements, the "new course" in East Germany involved a reduction under the original plan of 1.4 billion DME in the value of heavy industrial production for the latter half of 1953, while planned consumer goods production was increased by 410 million DME. In addition, plan arrears in the production of the light and food industries of 540 million DME were to

* The definition of national income used officially in the Satellite economies is not comparable to the GNP definition used in Section III, since the former excludes certain services and depreciation. Moreover, the prices and methodology underlying the Satellite figures are rarely explained. The Satellite data are useful, however, in appraising rates of change in a significant economic aggregate.

be made up (see Table 9). The original plan had emphasized production in the metallurgical and machine construction industries, requiring in both cases increases above the average for all industry. Under the "new course," the production goals for the metallurgical industry were reduced to less than the average for all industry and to slightly above this over-all average for machine construction.

An increase in industrial production of 13 percent is planned for each of the two remaining years of the current Five Year Plan, 1954 and 1955. This is approximately the same as the reported increase in 1953 over the previous year, but is lower than the increase of 15.6 percent in 1952. The planned increase each year in heavy industrial output is 7 percent and that for light and food industries, 24 percent (see Table 10*).

Table 9

Original and Revised Plans for Industrial Production in East Germany 1953

Million DME

	Original 96/	Change 97/	Revised
Total Industrial Production	37,340	-990	36,350
Light and Food Industries	14,936	+410 a/	15,346
Heavy Industry	22,404	-1,400	21,004

a. Production was expected to increase 950 million DME in comparison with the first half year, but only 410 million in comparison with the original planned amount for the second half. The difference represents the plan arrears for the first half of the year, which were to be made up.

* Table 10 follows on p. 28.

Table 10

Reported and Planned Rate of Increase over Previous Years in Industrial Production in East Germany 1952-53

Percent

	1952 Reported 98/	1953 Reported 99/	Plan for each Year, 1954 and 1955 100/
Total Industrial Production	15.6	12.5	13
Light Industry	N.A.	11.0	
Food Industry	N.A.	15.0	(24)
Heavy Industry	N.A.	N.A.	7

(2) Investment, Budget, and Income.

For 1953, net investment in East Germany was reduced by only 230 million DME from the original plan figure of 5,690 million DME. This merely removed from the 1953 plan the backlog of unfulfilled investment which had been carried forward from 1952. There was, however, a reallocation of investment for 1953. Heavy industry was reduced by 370 million DME, of which 70 million DME was shifted to investment in consumer goods industries and 300 million DME to housing and highway construction (see Table 11*).

According to Minister President Grotewohl, investment during each of the two remaining years of the Five Year Plan, 1954 and 1955, will be reduced 2 billion DME from the originally planned levels of 5.7 and 6.0 billion DME, respectively. The reduction in investment will affect mainly metallurgy, ore mining, and heavy machine construction. Facilities for production of electric power and coal and of consumer goods will, on the other hand, be expanded.

* Table 11 follows on p. 29.

Table 11

Planned Investment in East Germany
1953-55

Million DME

	1953 101/	1954 102/	1955 103/
Original Plan	5,690	5,700	6,000
Reduction (Net)	230 a/	2,000	2,000
New Plan	5,460	3,700	4,000

a. This amount is the backlog of unfulfilled investment carried forward from 1952.

The increase in personal income in the second half of 1953 as a result of "new course" measures raising wages and salaries was officially estimated at 760 million DME. 104/ The accretion to real personal income through price reductions and improvements in the sickness insurance system was officially estimated at 690 million DME for the same period, for a total increase of 1,450 million DME. It should be noted, however, that the increased supply of consumer goods was obtained from imports and state reserves rather than from current production and that reductions in prices of consumer goods during 1953 were reported to be principally on old stocks of inferior quality.

d. Hungary.

(1) Industrial Production Plans.

The goals of Hungary's First Five Year Plan (1950-54), which had been revised upward in February 1951, were lowered in mid-1953. Although the new, reduced production targets have never been published, Premier Nagy's annual report to the National Assembly in January 1954 indicated that the revised plan had been put into effect. Under the Five Year Plan as revised in 1951, total industrial production in 1953 was to increase 16 percent over 1952 (see Table 12*). The actual increase reported was 11.8

* Table 12 follows on p. 30.

percent. Nevertheless, it was claimed that the production plan for the second half of the year was fulfilled by 101.3 percent, indicating that the goal for the year was reduced from a 16-percent rate of increase to about 11.7 percent. The planned increase in total industrial output in 1954 is only 4.5 percent.

Table 12

Annual Rate of Increase in Industrial Production in Hungary 1951-54

Percent

	Actual (Official Reports)			Plan	New Plan
	1951 105/	1952 106/	1953 107/	1953 a/ 108/	1954 109/
Total Industrial Production	30.1 b/	23.6 b/	11.8	16.0	4.5
Heavy Industry	37.7	33.3	N.A.	N.A.	-2.0
Selected Products					
Coal	N.A.	22.8	13.6	N.A.	6.4
Electric Power	N.A.	19.3	19.2	N.A.	10.7
Rolled Steel	N.A.	13.0 c/	6.6	N.A.	5.0
Light Industry	26.9	10.5	N.A.	N.A.	
Food Industry	16.5	16.1	N.A.	N.A.	(16.0)

a. After revision in 1951.
b. Applicable to "manufacturing industry," which includes mining but probably does not include local industries.
c. Rate of increase for ingots. The rate for bars was 26.5 percent.

Apart from this striking reduction of the planned rate of increase in over-all industrial putput, the rate of production of heavy industrial goods is planned to decline 2 percent from the 1953 level, while the planned output of the light and food industries is 16 percent above that realized in 1953. The Hungarian Central

Statistical Office reported a lower rate of increase in 1953 than in 1952 for coal and for rolled steel and about the same rate for electric power production. Moreover, the planned increases for these items in 1954 represent a decline from the 1953 rates.

(2) Investment Plans.

In 1953, state investment in Hungary fell short of the planned total of 19 billion forints by 2.7 billion forints (see Table 13*). According to Finance Minister Szalai, the difference between planned and actual investment was spent on the manufacture of consumer goods. 110/ With respect to investment allocation, Premier Nagy reported changes from the first half of 1953 to the second half as follows: heavy industry, 64.5-percent decrease; light industry, 69.9-percent increase; and food industry, 103.5-percent increase.** 111/ Thus it appears that investment in heavy industry was radically cut in the last 6 months of 1953, as promised in the announcement of the new economic policy, whereas the light and food industries received substantially increased investment funds. Since total investment was 2.7 billion forints less than planned, investment in heavy industry must have been cut by an absolute amount much greater than that by which investment in the light and food industries was increased.

In 1954, state investment is to be reduced to 14 billion forints -- 2.3 billion forints less than the actual investment reported for 1953. Agriculture will receive almost one-quarter of the total investment in 1954. Direct investment in agriculture in the second half of 1953 was reported to exceed the sum invested in the first half of the year by 70.2 percent. 112/ Nevertheless, agricultural investment for the year was only 12 percent of the total investment of 16.3 billion forints rather than 14 percent of 19 billion forints as budgeted. The distribution of the 10.6 billion forints of planned nonagricultural investment in 1954 has not been revealed except for statements that investments in light industry, housing, and internal trade will be increased. Investments in coal and power facilities apparently will not be reduced.

* Table 13 follows on p. 32 .

** The reported "increases" for the three industry groups are 35.5, 169.9, and 203.5 percent respectively. Since these values seem unreasonably high as percentage increases over the first half of the year, it is assumed that they actually represent index numbers, with the first 6 months of 1953 equaling 100.

Table 13

Proportion of State Investment in Agriculture in Hungary
1951-54

	1951 Plan 113/	1952 Plan 114/	1953 Reported	1953 Plan 115/	1954 Plan 116/
Agriculture (Billion Forints)	N.A.	N.A.	1.9 a/	2.7	3.4
Total State Investment (Billion Forints)	11.7	15.5	16.3 118/	19.0	14.0
Agriculture as Proportion of Total (Percent)	N.A.	N.A.	12.0 119/	14.0	24.0

a. Computed from data reported by Minister of Finance Szalai. 117/

e. Poland.

(1) Production Plans.

The changes in economic plans announced in Poland in October 1953 were concerned mainly with 1954-55, the last 2 years of the Six Year Plan. According to official reports, industrial production during the first 4 years of the Six Year Plan (1950-53) increased 118 percent over 1949. The annual increase reported for 1952 is 20 percent and that for 1953 is 17.5 percent (see Table 14*). At the recent Polish Communist Party (PZPR) Congress, Hilary Minc, the Finance Minister, stated, "For the next two years, the reduction of the average annual rate of increase in industrial production to about 10 or 11 percent is foreseen, while the rate of increase in production of producer goods and the rate of increase in the production of consumer goods is to be maintained on the same level." 120/ He asserted that such a reduction in the rate of increase was provided for in the Six Year Plan and that 10- or 11-percent increases will mean fulfillment or overfulfillment of the Six Year Plan for industry. The official figures show, however, that such goals

* Table 14 follows on p. 33.

represent a reduction of more than one-third from the rate of increase achieved in 1953 and a reduction of about one-half from the 1952 rate of increase in industrial production.

The dragging pace of agricultural production in Poland is indicated by official reports that during the 4 years from 1950 to 1953 agricultural production rose only 9 percent, or about one-thirteenth the rise in industrial production (see Table 14). During 1954 and 1955, agricultural production is planned to rise 9 percent -- the same as the reported total increase for the last 4 years.

Table 14

Officially Announced Rates of Increase in Industrial and Agricultural Production in Poland 1952-55

Percent

	1952 over 1951	1953 over 1952	Plan 1954 over 1953	Plan 1955 over 1954	1953 over 1949
Total Industrial Production	20.0 121/	17.5 122/	10 to 11 123/	10 to 11 124/	118 125/
Producer Goods	N.A.	N.A.	10 to 11 126/	10 to 11 127/	N.A.
Consumer Goods	N.A.	N.A.	10 to 11 128/	10 to 11 129/	99 130/
Total Agricultural Production	N.A.	N.A.	N.A.	9 (1955 over 1953) 131/	9 132/

Moderate to substantial increases are planned in the production of various foods and other consumer items from 1953 to 1955 (see Table 15*). Special emphasis during this period will be placed not only on the production of consumer goods but also on mining and metallurgy, since Poland's output of hard coal is inadequate for combined domestic and export demands and its production of iron ore meets only a minor part of its domestic requirements.

* Table 15 follows on p. 34.

Table 15

Planned Increase in Production of Selected Consumer Goods in Poland 1955 over 1953

Percent

Foods		Other Consumer Goods	
Baking Products 133/	12	Soap 142/	15
Meat 134/	17	Cotton Textiles 143/	12
Milk 135/	17	Woolen Textiles 144/	11
Fats, Animal and Vegetable 136/	25	Silk Textiles 145/	20
Processed Fruits and Vegetables 137/	27	Leather Footwear 146/	21
Fish 138/	10	Enameled Kitchen Ware 147/	40
Canned Fish 139/	30	Cast Iron Ware 148/	75
Wine 140/	40	Galvanized Buckets 149/	62
Sugar 141/	7	Bicycles 150/	79
		Motorcycles 151/	100
		Furniture 152/	26
		Radio Sets 153/	24

(2) Investment Plans.

Premier Bierut stated at the Communist Party Congress in March 1954 that investment in 1954 and 1955 would be maintained on the same absolute level as in 1953, leaving a larger portion of the national income for personal and public consumption. 154/ The share of the national income* allocated to investment is planned to decrease from 25.1 percent in 1953 to 21.2 percent in 1954 and to 19.8 percent in 1955. 155/ These figures represent a distinct downward trend from the percentages (27 to 28 percent) which were reported for the period 1950-52. 156/

Although the 1953 level of investment expenditures will be continued in 1954 and 1955, the allocation of the funds is to be altered. According to Bierut, there will be a

* National income, as used in Polish official statistics, follows the Communist definition, which excludes services not directly connected with material production.

considerable increase in the amounts allotted to agricultural development, to industries producing consumer goods, and to the construction of houses and of social and cultural facilities. 157/ On the other hand, investment in the producer goods industry will be reduced somewhat. Planned investment in 1955 for various sectors of the economy may be compared with 1953 investment as shown in Table 16.

Table 16

Selected Indexes of Planned Investment in Poland 158/
1955

	1953 = 100
Total Investment Outlays	100
Producer Goods Industry a/	86
Consumer Goods Industry	138
Agriculture and Forestry	145
Housing and Communal Development	126
Social and Cultural Facilities	134

a. Index computed from percentages of total investment which are reported for producer goods (46.7 and 40.4 percent, respectively).

f. Rumania.

(1) Industrial Production Plans.

According to Rumanian official reports, over-all production of industry in 1953 increased 14.4 percent over 1952. 159/ This is much lower than the increase in 1952, which was reported to be 23 percent. 160/ In 1953 the plan was revised at midyear. Industrial production is believed to have been considerably lower in the second half of 1953 than in the first half. Following the plenary meeting of the Central Committee of the Rumanian Workers Party on 19 and 20 August 1953, steps were taken to raise the output of consumer goods. Nevertheless, the output of producer goods in 1953 rose by a greater percentage over the previous year than did the output of consumer goods such as food products, textiles, clothing, and household wares. 161/ For example, the output

of certain metals, minerals, and heavy machines increased from 13 to 65 percent, whereas the reported increase in production of textile and clothing items ranged from 4 to 6 percent. Coal and steel production, however, increased only 5 percent and 3 percent respectively.

(2) Investment Plans.

Allocation of investment under Rumania's original Five Year Plan, 1950-54, indicated a decided emphasis on the production of capital goods (see Table 17). Planned investment was 66.5 billion lei, or an annual average of 13.3 billion lei. Investment in 1952 and 1953 was reported to be 11.5 billion lei and 13.9 billion lei, respectively. According to the announcement of Finance Minister Petrescu (20 April 1954), the budgetary investment for 1954 will be increased to 16 billion lei, 3.5 billion of which will be for agriculture. The original investment plans for the last 2 years of the Five Year Plan period, 1953 and 1954, are to be replaced by a new 3-year plan for the years 1953-55.

Table 17

Allocation of Rumanian State Investment under the Five Year Plan 162/
1950-54

	Amount (Billion New Lei)	Percent
Total Investment	66.5	100
Industry	34.2	52
Capital Goods	28.0	43
Consumer Goods	6.2	9
Agriculture and Forestry	6.7	10
Transportation and Communications	10.7	16
Construction	1.3	2
International Trade	1.5	2
Social and Cultural Projects	8.9	13 a/

a. Includes 3.2 percent for workers' housing.

Table 17

Allocation of Rumanian State Investment
under the Five Year Plan 162/
1950-54
(Continued)

	Amount (Billion New Lei)	Percent
Government	1.3	2
Scientific and Geologic	1.9	3

At the time the "new course" was announced in August 1953, changes in the amounts to be invested in particular sectors of the economy were given. 163/ Investment in agriculture for the period 1953-55 is planned at 6 billion lei compared with 6.7 billion earmarked for all 5 years of the original plan. It was stated officially that the new plan provides for twice as much agricultural investment as was realized in the first 3 years of the Five Year Plan. The government also announced that planned investment of 3 billion lei in the food, textile, and shoe industries in 1953-55 164/ is double the old plan figure for a comparable time period. Premier Gheorgiu-Dej stated that "out of the total volume of investment, reductions are to be made from the funds earmarked for the heavy industry and other works; a fund of 5 billion lei is to be earmarked for the development of agricultural production, the consumer goods industries, and the construction of dwellings and other social works." 165/ Thus more than half the investment funds for agriculture and consumer goods, which total 9 billion lei under the new plan, will be diverted from heavy industry. But in spite of the increased investment in agriculture and the consumer goods industries, indications are that capital goods investment will continue to receive a large share of investment funds.

III. Gross National Product.*

A. Introduction.

Increases in the total value of all goods and services produced (GNP) in the European Satellites since the war have reflected several important phenomena that should be taken into account in interpreting the meaning of changes in Satellite GNP and its future growth. Rapid industrialization of these economies has occurred uniformly under socialization of industry and authoritarian allocation of resources by the state through such means as taxation, compulsory deliveries from agriculture, regimentation of workers, and rationing of consumer goods. In the years immediately after World War II large increases in GNP reflected, essentially, the period of recovery from the disorganization and destruction caused by the war. The dissipation of the chronic underemployment which was characteristic of most of the Satellite economies in the prewar period and the forced acceleration in the use of resources also affected the increases in GNP. In addition, the achieved increases in the stock of capital goods yielded increases in GNP in succeeding periods. Future growth of GNP, however, will come to depend more and more on efficient utilization of resources and increases in productivity as a result of the efforts of labor and management, technological innovation, and continuing increases in the stock of capital equipment of these economies.

B. Gross National Product Estimates.

1. Trends.

The GNP of all the Satellites combined increased by about 5.5 percent between 1952 and 1953. The growth of this measure of national power, however, was somewhat uneven as between the various Satellites, ranging from a low of 1 percent for Czechoslovakia to a high of 6.4 percent for East Germany. The GNP of Poland grew by 3.9 percent, that of Hungary by 5.2 percent, that of Rumania by 4.7 percent, and that of Bulgaria by 6.1 percent. (For indexes of GNP see Table 18.**)

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* For a statement of the methodology used in preparing GNP estimates, see Appendix A.

** Table 18 follows on p. 39.

Table 18

Indexes of Gross National Product of the European Satellites
1938 and 1948-53

1950 = 100

Year	European Satellites a/	Bulgaria	Czechoslovakia	East Germany	Hungary	Poland	Rumania
1938	115	87	92	152	88	106	115
1948	86	95	89	81	83	85	95
1949	92	98	96	88	93	92	96
1950	100	100	100	100	100	100	100
1951	106	109	102	113	111	101	110
1952	110	115	105	124	115	103	107
1953	116	122	106	132	121	107	112

a. Not including Albania.

The trend of yearly percentage increases (that is, percentage increase of each year over the previous year) of GNP in all the Satellites except Bulgaria was generally downward during the 1950-53 period as shown in Figure 2.* The average of the four yearly percentage increases for this period were as follows: Czechoslovakia, 2.5 percent; Poland, 3.9 percent; Rumania, 4.0 percent; Bulgaria, 5.7 percent; Hungary, 6.8 percent; and East Germany, 10.7 percent.

2. Gross National Product in 1951 US Dollars.

For purposes of comparison, the GNP of the Satellites is expressed in a common denominator -- US 1951 dollars. In 1953 the Satellites combined had a GNP of US $44.8 billion (36 percent of the Soviet GNP). This compares with a GNP of US $44.5 in 1938 for the same area. Of all the Satellites, only East Germany's GNP was still perceptibly below the 1938 level (by an estimated 13 percent), whereas the GNP's of Poland and Rumania approximated the prewar level and those of Bulgaria, Hungary, and Czechoslovakia materially exceeded it, as shown in Figure 3.*

* Following p. 40.

3. Distribution of Satellite Gross National Product.

Czechoslovakia, East Germany, and Poland have accounted for well over four-fifths of total Satellite GNP each year since 1948. The distribution of the all-Satellite GNP among the various Satellites indicates that, in 1953, Poland and East Germany accounted for over three-tenths each of the all-Satellite total, with Czechoslovakia contributing almost one-fifth. Figure 4*, showing the distribution of GNP among the European Satellites in 1938 and 1953, indicates that East Germany has not yet regained its prewar position as the most important contributor to the all-Satellite GNP, while the relative importance of Bulgaria, Czechoslovakia, and Hungary has increased somewhat. Poland's relative contribution to all-Satellite GNP was the same in 1953 as in 1938, and Rumania's declined slightly.

4. Projections of Gross National Product, 1954-56.

CIA projections of GNP indicate growth in a range from 4 to 5 percent annually for all the Satellites combined, assuming no general war and continuation of present economic plans. Above-average growth is predicted for East Germany, whose GNP will probably increase in a range from 6 to 8 percent annually for the 3-year period 1954-56. The other Satellites probably will experience growth closer to the Satellite average, with the range of annual increase being 3 to 5 percent for Poland and Rumania, and 3 to 4 percent for Bulgaria, Czechoslovakia, and Hungary.

Satellite GNP will probably be slightly over US $51 billion (in 1951 US dollars) by 1956. One-third of this will be generated in East Germany, with the GNP of Poland being only very slightly less. The GNP of Czechoslovakia probably will be well over one-sixth of the total, with Bulgaria, Hungary, and Rumania together accounting for less than one-sixth (see Table 19**).

* Following p. 40.
** Table 19 follows on p. 41.

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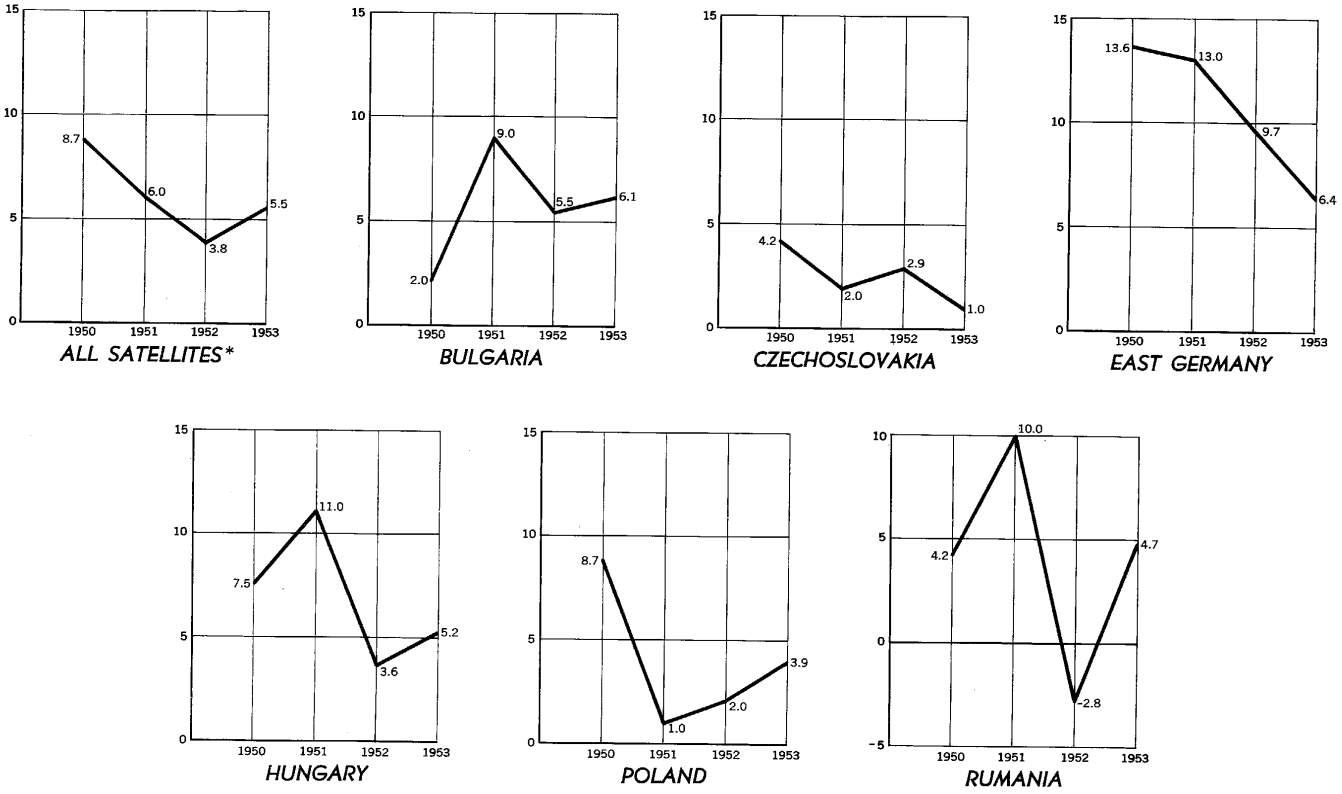
EUROPEAN SATELLITES *

Figure 2

ANNUAL RATE OF CHANGE IN GROSS NATIONAL PRODUCT, 1950-53

(In Percent)



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*Excludes Albania

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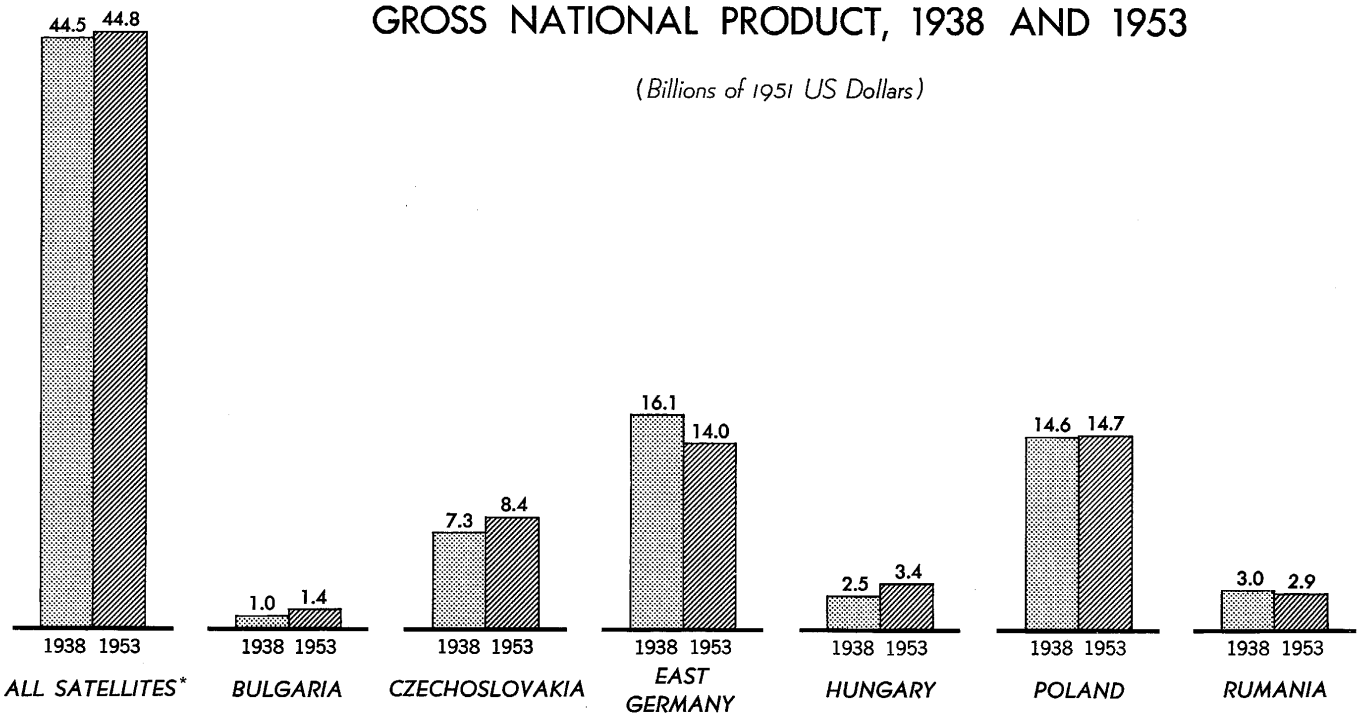
Figure 3

EUROPEAN SATELLITES*

GROSS NATIONAL PRODUCT, 1938 AND 1953

(Billions of 1951 US Dollars)



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*Excludes Albania

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Figure 4

EUROPEAN SATELLITES*

DISTRIBUTION OF GROSS NATIONAL PRODUCT

1938 and 1953

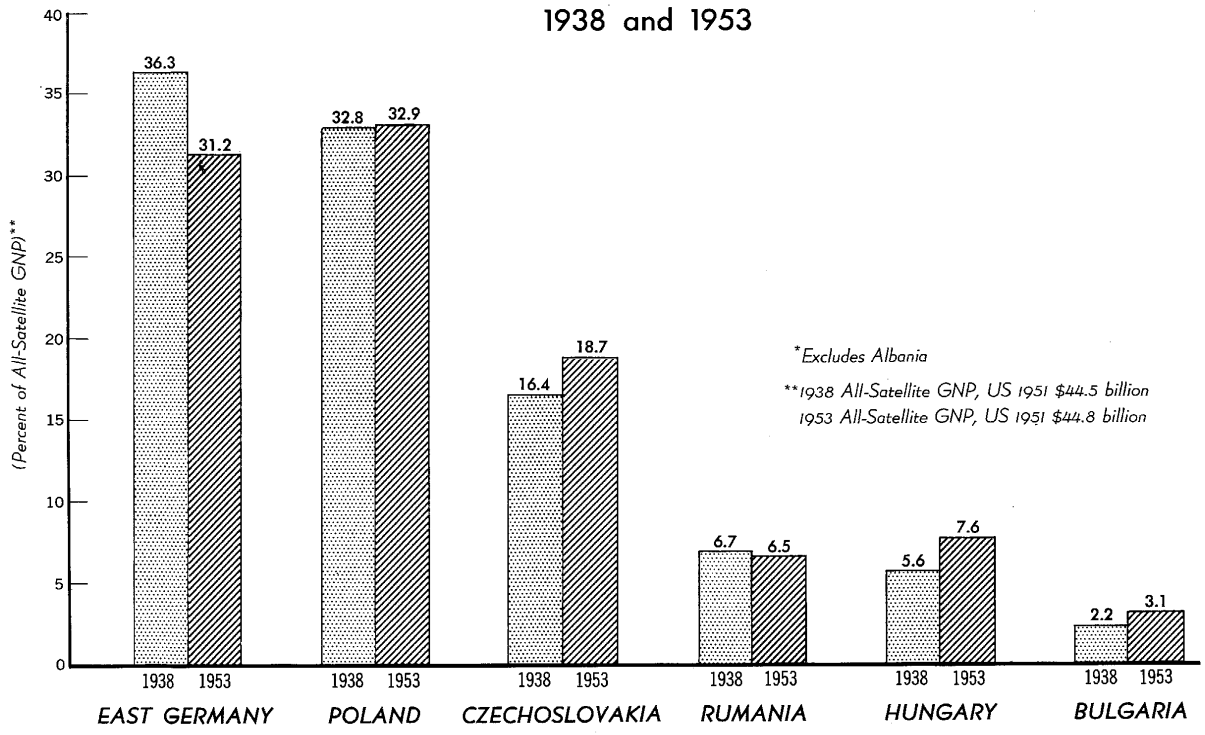

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Table 19

Gross National Product of the European Satellites a/
1954-56

Country	GNP Indexes (1950 = 100)			GNP (Billion 1951 US $)		
	1954	1955	1956	1954	1955	1956
European Satellites	121	127	132	46.9	49.4	51.2
Bulgaria	125	130	135	1.5	1.6	1.6
Czechoslovakia	109	113	116	8.6	8.9	9.2
East Germany	143	153	162	15.1	16.2	17.1
Hungary	125	130	134	3.5	3.6	3.7
Poland	111	116	119	15.2	15.9	16.3
Rumania	117	123	127	3.0	3.2	3.3

a. Not including Albania.

5. Per Capita Gross National Product.

Per capita GNP for all the Satellites combined was US $486 (1951 US $) in 1953, compared with US $587 for the USSR. East Germany attained the highest per capita GNP, US $782, while Rumania had the lowest, US $172. Close behind East Germany was Czechoslovakia, with a per capita GNP of US $658, after which came Poland with US $559. On a distinctly lower level were Hungary, with a per capita GNP of US $360, and Bulgaria, with US $186 (see Table 20*).

The 1953 per capita GNP for all the Satellites was only 3.6 percent higher than the 1938 figure. The change between 1938 and 1953 varied in individual Satellite countries, from a decline of 19 percent for East Germany to an increase of 32 percent for Hungary and Czechoslovakia. In between were Bulgaria with a 22-percent increase in per capita GNP from 1938 to 1953, Poland with a 19-percent increase, and finally Rumania with a 9-percent decline.

* Table 20 follows on p. 42.

Table 20

Per Capita Gross National Product of the European Satellites
1938 and 1948-53

1951 US $

Country	1938	1948	1949	1950	1951	1952	1953
European Satellites a/	469	375	400	431	454	467	486
Bulgaria	153	155	153	164	178	175	186
Czechoslovakia	500	586	620	637	639	649	658
East Germany	970	445	487	564	643	714	782
Hungary	273	252	283	304	333	341	360
Poland	468	491	523	553	550	551	559
Rumania	189	156	155	159	176	168	172

a. Not including Albania.

Because per capita GNP is sometimes used as a measure of welfare, it must be pointed out that per capita GNP is not synonymous with per capita consumption. In planned economies the welfare aspect of this measure is greatly qualified by the fact that distribution of GNP is not made on the basis of consumer choice. Thus it might be possible for a country where the per capita GNP was high to have low per capita consumption. In fact, emphasis on rapid industrial expansion in the Satellite plans was accompanied by enforcement of abstention from consumption through various forms of taxation, compulsory deliveries from agriculture, and a high rate of profit on products originating in socialized industry or distributed by the socialized trading establishments.

It is generally agreed that GNP estimates reflect better the economic activity of industrialized countries and less well the economic activity of countries predominantly agricultural, where there is usually a large amount of home and handicraft industry as well as sizable nonmarket economic activity, such as payment in kind and unpaid services which do not find their way in GNP statistics. It is for this reason that some reserve is called for in interpreting per capita GNP figures, and it would be well to assume that in all probability the per capita GNP estimates for

predominantly agricultural countries such as the southern Satellites somewhat understate the case relative to the more industrialized northern Satellites. It is felt, however, that the general impression which these estimates afford is an accurate one, especially in terms of ranking of the various countries from the largest to the smallest per capita GNP.

6. Gross National Product by Sector of Origin.

Analysis of GNP by sector of origin reveals the very striking emphasis in all the Satellite countries on industry, transportation and communications, and construction. For the Satellites as a whole these sectors have increased about one-third since 1950. Agriculture, services, and trade, on the other hand, have changed only slightly since 1950 (see Figure 5*).

a. Agricultural Sector.

The agricultural sector indexes shown in Table 21 reflect the great difficulty which has been experienced by the Satellite governments in attempting to increase agricultural output. Generally the level of production in 1953 was a little below that of 1950. However, 1953 output, compared to 1938, was substantially lower for most Satellites.

Table 21

Agricultural Sector Indexes of the European Satellites
1938 and 1948-53

1950 = 100

Country	1938	1948	1949	1950	1951	1952	1953
European Satellites a/	118	85	90	100	102	95	93
Bulgaria	99	104	101	100	106	96	100
Czechoslovakia	110	83	92	100	100	96	95
East Germany	120	80	84	100	108	106	99
Hungary	108	93	101	100	112	94	95
Poland	119	80	89	100	92	86	86
Rumania	126	104	98	100	114	95	96

a. Not including Albania.

* Following p. 44.

b. Industrial Sector.

The 1950-53 period was one of rapid growth of the industrial sector for most of the Satellites. The all-Satellite increase was 37 percent for this period. Individual country increases ranged from 15 percent for Czechoslovakia to 83 percent for Bulgaria. During the 1938-53 period the all-Satellite industrial index increased by 25 percent. The East German index in 1953, however, was 10 percent below 1938. In the other Satellites prewar levels were exceeded (see Table 22).

Table 22

Industrial Sector Indexes of the European Satellites
1938 and 1948-53

1950 = 100

Country	1938	1948	1949	1950	1951	1952	1953
European Satellites a/	110	76	88	100	114	128	137
Bulgaria	73	75	91	100	123	167	183
Czechoslovakia	69	85	96	100	106	112	115
East Germany	185	64	79	100	125	149	166
Hungary	71	70	86	100	116	133	145
Poland	80	77	88	100	105	115	123
Rumania	107	81	89	100	114	127	139

a. Not including Albania.

It must not be assumed, however, that equal emphasis has been given to industry on a uniform basis. Indexes which differentiate between producer goods industries and consumer goods industries show very clearly that the emphasis has been on expansion of producer goods rather than of consumer goods, at least up until 1953. The indexes reproduced in Table 23 show that, while producer goods production was increased in 1953 anywhere from 6 percent for Czechoslovakia to 14 percent for East Germany over 1952, the change in production of consumer goods ranged from a decrease of 7 percent in Czechoslovakia to an increase of 6 percent in East Germany.

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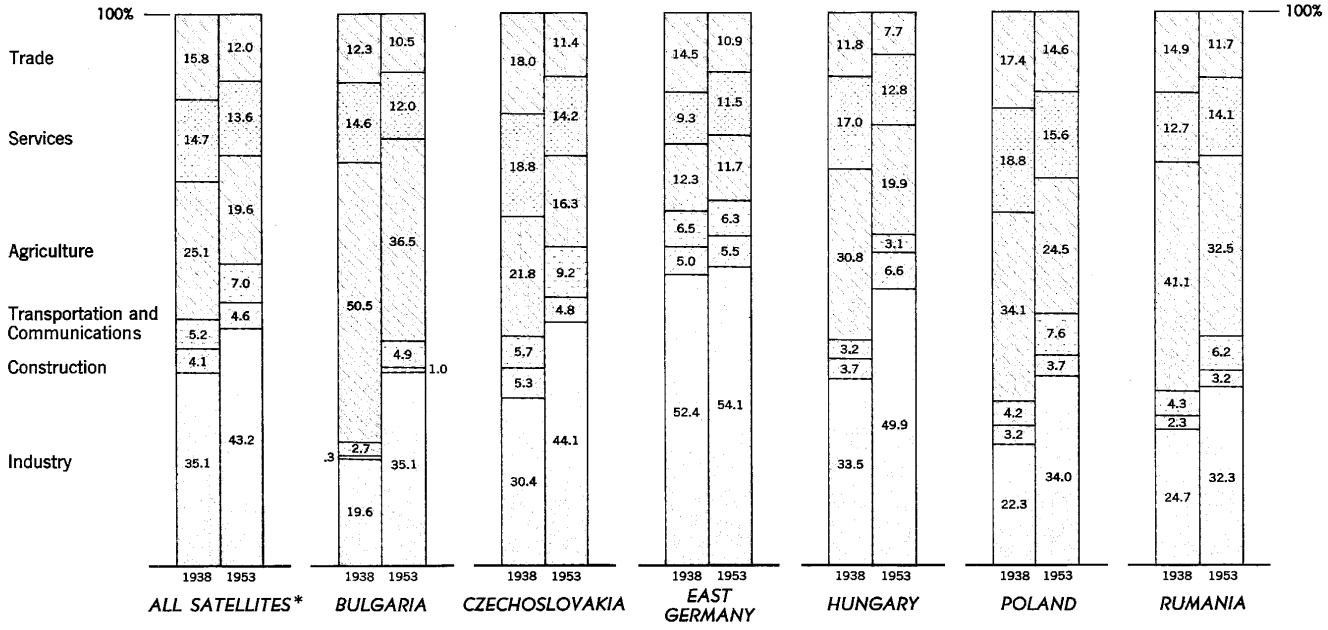
Figure 5

EUROPEAN SATELLITES*

DISTRIBUTION OF GROSS NATIONAL PRODUCT BY SECTOR OF ORIGIN, 1938 and 1953

(In Percent)



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*Excludes Albania

Furthermore, a comparison of 1938 and 1953 shows the same thing. For this time period, although producer goods production declined by 10 percent in East Germany, the other Satellites had substantial increases -- 54 percent for Rumania, 98 percent for Poland, 125 percent for Czechoslovakia, 184 percent for Hungary, and over 1,000 percent for Bulgaria, which started from a very small prewar base. The comparison of these increases with those for consumer goods is striking, none of the increases in the latter case being larger than 19 percent (see Table 23).

Table 23

Producer and Consumer Goods Indexes of the European Satellites a/
1938 and 1948-53

1950 = 100

Country	1938	1948	1949	1950	1951	1952	1953
Producer Goods							
Bulgaria	25	54	82	100	145	246	278
Czechoslovakia	55	85	90	100	109	117	124
East Germany	201	61	77	100	126	158	180
Hungary	57	67	84	100	121	145	162
Poland	69	78	88	100	107	123	137
Rumania	99	79	89	100	117	134	152
Consumer Goods							
Bulgaria	106	89	96	100	108	113	118
Czechoslovakia	89	92	102	100	100	103	96
East Germany	155	69	85	100	122	132	140
Hungary	93	78	90	100	105	109	111
Poland	99	76	88	100	103	100	97
Rumania	117	83	90	100	109	118	120

a. Not including Albania.

c. Transportation and Communications Sector.

The course of the transportation and communications sector follows, in general, that of the industrial sector. This is not surprising, for transportation and communications are integral parts of industrial growth. The 1953 index of the transportation and communications sector for all the Satellites combined was 34 percent above 1950. Individual Satellites varied a good deal in the rates of development of this particular sector. The indexes in 1953 were from 21 percent to 45 percent above 1950 levels. A comparison of 1953 index numbers with prewar 1938 indicates very substantial increases for almost all the countries with the exception of East Germany, where a decline of 17 percent was recorded (see Table 24).

Table 24

Transportation and Communications Sector Indexes
of the European Satellites
1938 and 1948-53

1950 = 100

Country	1938	1948	1949	1950	1951	1952	1953
European Satellites a/	100	80	90	100	111	123	134
Bulgaria	52	82	89	100	112	122	131
Czechoslovakia	65	99	94	100	105	112	121
East Germany	162	65	85	100	111	123	135
Hungary	91	79	86	100	105	113	123
Poland	79	78	91	100	118	132	145
Rumania	98	67	87	100	112	124	137

a. Not including Albania.

d. Construction Sector.

The construction industry increased in all the Satellites by 31 percent between 1950 and 1953. Again a good deal of difference among the various Satellites is found. Since 1950 the greatest increase has been registered by Rumania, where the 1953 index was 89 percent above the 1950 level. The smallest

gain -- 7 percent -- occurred in Czechoslovakia. Of all the Satellites, only East Germany, which has had impressive increases in construction since 1950, has not yet attained the 1938 level (see Table 25).

Table 25

Construction Sector Indexes of the European Satellites
1938 and 1948-53

1950 = 100

Country	1938	1948	1949	1950	1951	1952	1953
European Satellites a/	118	74	87	100	109	116	131
Bulgaria	37	79	104	100	117	129	145
Czechoslovakia	102	62	93	100	103	106	107
East Germany	146	78	80	100	108	114	137
Hungary	58	49	71	100	111	131	143
Poland	114	87	96	100	114	118	131
Rumania	141	76	79	100	126	164	189

a. Not including Albania.

7. Gross National Product Sectors as Percentages of Total Gross National Product.

In general, the industry, transportation and communications, and construction sectors of GNP have been growing at a faster rate than agriculture, services, and trade. This phenomenon is reflected in the percentage distribution of GNP by sectors. Figure 6* shows the change in the relative importance of the various GNP sectors between 1938 and 1952.

* Following p. 48.

IV. Production Trends.

A. Industrial Sector.

1. Introduction.

The subdivision of the industrial sector of the Satellite countries into industry groups (subsectors) reveals clearly the system of priorities established under Communism. First priority goes to the production of machinery and equipment. Given the production of machinery and equipment as a primary goal, it follows that supporting priorities would go to chemicals, building materials, metals, and energy. The result of this emphasis is that light and textile industries, food processing, and forest products are relatively neglected industry groups (see Fig. 7*).

In the discussion which follows, industry subsectors will be discussed individually. Output of the major products within each subsector and comparison with USSR output is shown in appropriate tables in Appendix A.

2. Production by Industry Subsectors.

a. Energy Industries.

(1) Trends of Production.

The output of energy industries in 1953 in the Satellites increased over the previous year in a range from 26 percent in Rumania to 6 percent in Czechoslovakia. The growth in Hungary was 14 percent; in Bulgaria, 9 percent; in Poland, 8 percent; and in East Germany, 7 percent.

Relative to 1938, the 1953 output of Bulgaria represented an increase greater than in any of the other Satellites -- 359 percent. The next largest increase occurred in Hungary -- 139 percent. The output of Czechoslovakia in 1953 was 94 percent greater than in 1938; that of Rumania, 85 percent greater; that of Poland, 50 percent greater; and that of East Germany, 36 percent greater.

* Following p. 48.

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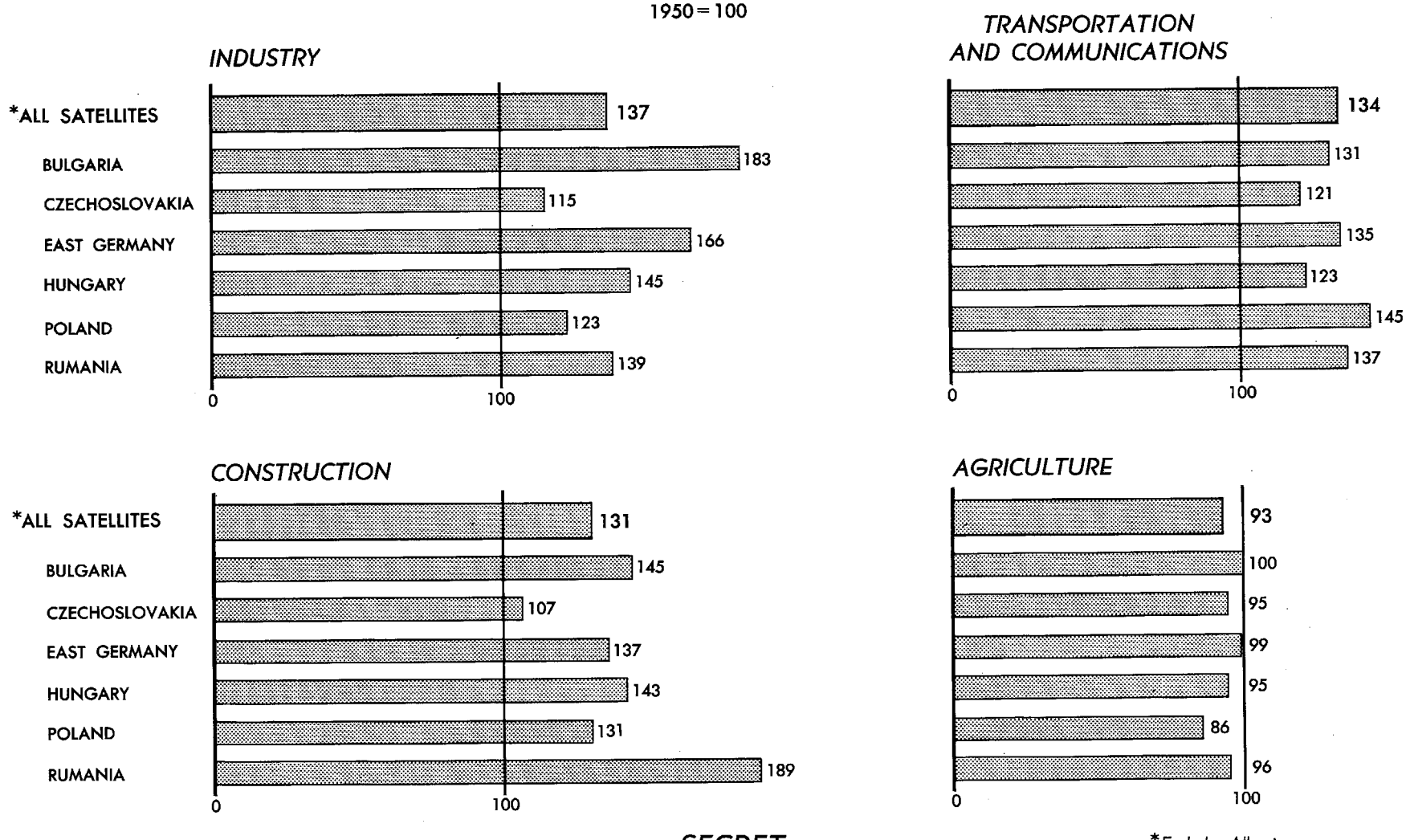
Figure 6

EUROPEAN SATELLITES*

INDEXES OF SELECTED GROSS NATIONAL PRODUCT SECTORS, 1953

1950 = 100



*Excludes Albania

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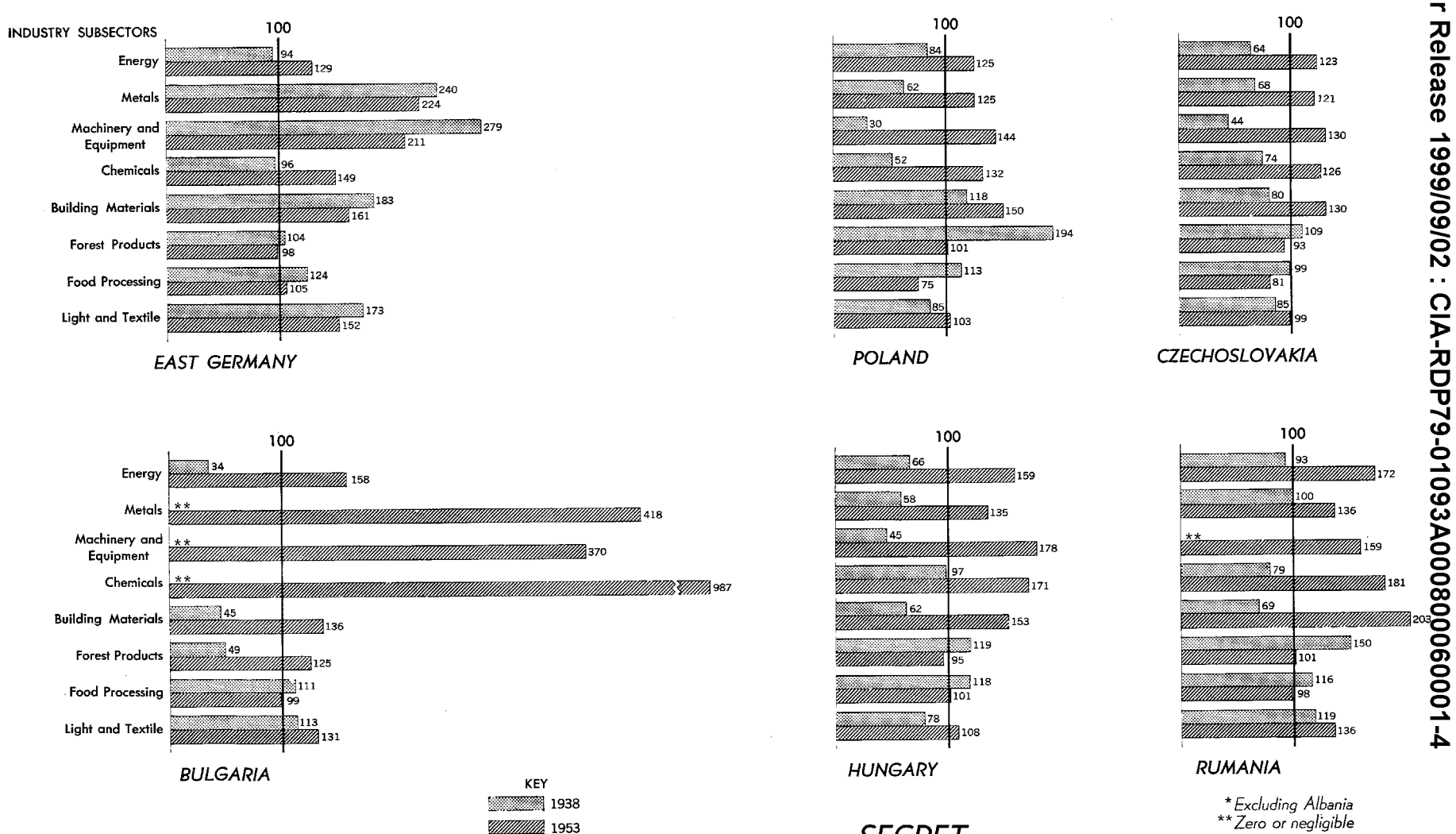
Figure 7

EUROPEAN SATELLITES*

INDEXES OF INDUSTRY SUBSECTORS
1938 and 1953

1950 = 100



* Excluding Albania
** Zero or negligible

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(2) Distribution of Production of Energy Products in 1953.

Among the Satellite countries the major producers of electric power were East Germany, Poland, and Czechoslovakia, in that order. Germany accounted for two-fifths of the output of electric power of all the Satellites; Poland, almost one-fourth; and Czechoslovakia, one-fifth. Nearly seven-tenths of the Satellite output of lignite and brown coal was produced in East Germany. The next largest producer was Czechoslovakia, with over one-seventh of total Satellite production. Output of hard coal (bituminous coal and anthracite) was concentrated in Poland, which produced almost eight-tenths of total Satellite output. Most of the remaining production of hard coal occurred in Czechoslovakia. In the production of synthetic petroleum, East Germany led with three-fourths of the output, the next most important producer being Czechoslovakia with over one-fifth of the Satellite total. Crude oil output was confined almost entirely to Rumania, which accounted for seven-eighths of the total Satellite production (see Table 26).

Table 26

Distribution of Production of Selected Energy Products in the European Satellites 1953

Percent

Product	All European Satellites	Albania	Bulgaria	Czecho-slovakia	East Germany	Hungary	Poland	Rumania
Electric Power	100	a/	2	20	41	8	23	5
Lignite and Brown Coal	100	a/	3	15	68	8	3	3
Hard Coal	100	0	a/	18	3	2	77	a/
Synthetic Petroleum	100	0	0	22	75	0	3	0
Crude Oil	100	4	a/	1	0	6	2	87

a. Less than 1 percent.

For specific output data and comparison of European Satellite and USSR production, see Appendix A, Tables 56 and 57.*

b. Metals Industries.

(1) Trends of Production.

There has been substantial increase in the output of metals among the Satellites. Bulgaria, starting from a small 1952 base, increased its production by 79 percent by 1953. During this year the metals output of East Germany increased by 22 percent. Rumania increased its production of metals during the same period by 10 percent; Hungary, by 7 percent; Poland, by 6 percent; and Czechoslovakia, by 4 percent.

Compared with 1938, 1953 production was 133 percent higher in Hungary and 103 percent higher in Poland. Output in Czechoslovakia increased by 79 percent between 1938 and 1953, more than twice the increase of 36 percent in Rumania. The East German production had not yet attained prewar levels, being 6 percent below 1938 in 1953. It is noteworthy that Bulgaria, which had no metals output in 1938, accounted for an increase of nearly 250 percent between 1949 and 1953.

(2) Distribution of Production of Metals in 1953.

The major producers of iron and steel are Czechoslovakia, Poland, and East Germany. In 1953, Czechoslovakia produced 35 percent of all the finished steel manufactured in the Satellite countries and 37 percent of the pig iron. In this same year, Poland produced 29 percent of the finished steel and 32 percent of the pig iron, while East Germany produced 23 percent of the finished steel and 18 percent of the pig iron. Hungary contributed slightly under 10 percent of finished steel and pig iron produced in the Satellite countries. A small production of about 5 percent of the total was accounted for by Rumania.

There is a good deal of specialization in the production of nonferrous metals. For instance, all the mercury is produced in Czechoslovakia, and the small tin output comes entirely

* Pp. 110 and 111, respectively, below.

from East Germany. Czechoslovak output of antimony accounts for 95 percent of the total. Production of copper is more widespread. Forty-six percent of all the copper output of the Satellites is produced in Poland, while another 42 percent comes from East Germany. The output of the other countries was not important in the over-all total, although all of these other countries produced some primary copper.

Thirty-three percent of the refined lead was produced in Poland, with another 31 percent coming from Bulgaria. A sizable proportion -- 17 percent -- was produced in East Germany, 10 percent in Czechoslovakia, and 9 percent in Rumania. Production of aluminum was concentrated in Hungary to the extent of 52 percent of total Satellite output. The next major producer, East Germany, had an output of 38 percent of the total, with Czechoslovakia and Rumania each producing 5 percent of the total (see Table 27).

Table 27

Distribution of Production of Selected Metals in the European Satellites
1953

Percent

Metal	All European Satellites	Albania	Bulgaria	Czecho-slovakia	East Germany	Hungary	Poland	Rumania
Finished Steel	100	0	a/	35	23	9	29	4
Pig Iron	100	0	0	37	18	8	32	5
Primary Copper	100	3	6	Negligible	42	Negligible	46	3
Aluminum Ingot	100	0	0	5	38	52	0	5
Refined Lead	100	0	31	10	17	Negligible	33	9
Antimony	100	0	0	95	5	0	0	0
Mercury	100	0	0	100	0	0	0	0
Tin	100	0	0	0	100	0	0	0

a. Less than 0.05 percent.

For specific output data, and comparison of European and Soviet production, see Appendix A, Tables 58 and 59.*

c. Machinery and Equipment.

(1) Trends of Production.

In the machinery and equipment industries 1953 output increased over 1952 in a range from 7 percent for Czechoslovakia and Bulgaria to 15 percent for East Germany. Rumanian output increased by 8 percent, Hungarian by 9 percent, and Polish by 11 percent.

Between 1938 and 1953 the output of Hungary, which started from a low prewar base, almost quadrupled. Polish output for the same period increased almost five times. In Czechoslovakia the output increased about three times. These achievements compare with a failure of East Germany to reach prewar levels in 1953. The 1953 output was 24 percent below the 1938 level. Since Bulgaria and Rumania had no prewar output of machinery and equipment of any importance, comparison with 1948 is used. For Bulgaria the output increased about 9 times between 1948 and 1953 and for Rumania, about two and one-half times for the same time period.

(2) Distribution of Production of Machinery and Equipment in 1953.

The output of machine tools in 1953 was concentrated in East Germany (44 percent of total Satellite output) and Czechoslovakia (36 percent of total Satellite output). The output of Poland was 14 percent of the total Satellite production. A similar distribution of production was reported for metalworking machinery, with Czechoslovakia and East Germany contributing over 40 percent each of total Satellite output, Polish output being 10 percent of the total. Again in the case of bearings, the predominance of Czechoslovakia and East Germany is noteworthy. Czechoslovakia produced 50 percent of all the bearings produced by the Satellite countries, and East Germany produced 43 percent, with Polish output amounting to 5 percent of the Satellite total. The proportions of passenger car output contributed by each country were very similar to the proportions of bearings -- 53 percent by Czechoslovakia, 40 percent by East Germany, and 7 percent by Poland.

* Pp. 111 and 113, respectively, below.

The manufacture of trucks was less concentrated than the aforementioned products. Here, 30 percent of the output was contributed by Czechoslovakia, 28 percent by East Germany, 27 percent by Poland, and 15 percent by Hungary. The production of tractors was even more dispersed, 36 percent of the Satellite total having been produced in Czechoslovakia, 22 percent in East Germany, 19 percent in Poland, 12 percent in Hungary, and 11 percent in Rumania.

The production of steam locomotives was concentrated in Czechoslovakia to the extent of 43 percent of total Satellite output. Other important contributors to Satellite output were Poland with 26 percent of the total, Hungary with 19 percent, and Rumania with 12 percent. The output of freight cars was somewhat more diffused over the Satellites than the output of steam locomotives, with Czechoslovakia producing 31 percent of the total and Poland 27 percent of the total. The East German contribution amounted to 19 percent of Satellite output of freight cars, with Hungary contributing 14 percent, Rumania 7 percent, and Bulgaria a minor 2 percent.

In the field of electrical and electric-power equipment a definite concentration is noted in Czechoslovakia, East Germany, and Hungary. For instance, in 1953, Czechoslovakia produced 64 percent of the turbines manufactured in the Satellite countries, and East Germany produced 24 percent. Hungary's output was 6 percent. The output of electric motors was confined, in general, to the three countries listed above, although every Satellite had some production. East Germany produced the largest share -- 41 percent -- and Czechoslovakia and Hungary each produced 21 percent, altogether accounting for over four-fifths of the output of the Satellites. Telephone and telegraph equipment was produced in only three Satellite countries, Hungary producing 47 percent of the total; East Germany, 28 percent; and Czechoslovakia, 25 percent (see Table 28*).

* Table 28 follows on p. 54.

Table 28

Distribution of Production of Selected Machinery and Equipment in the European Satellites
1953

Percent

Machinery and Equipment	All European Satellites	Albania	Bulgaria	Czecho-slovakia	East Germany	Hungary	Poland	Rumania
Machine Tools	100 a/	Negligible	N.A.	36 a/	44 a/	6 a/	14 a/	1 a/
Metalworking Machinery	100	0	0	43	43	4	10	0
Trucks	100	0	0	30	28	15	27	0
Tractors	100	0	0	36	22	12	19	11
Passenger Cars	100	0	0	53	40	0	7	0
Bearings	100	0	0	50	43	0	5	2
Steam Locomotives	100	0	0	43	0	19	26	12
Freight Cars	100	0	2	31	19	14	27	7
Turbines	100 b/	N.A.	N.A.	64 b/	24 b/	6 b/	5 b/	1 b/
Electric Motors	100	2	4	21	41	21	7	4
Telephone and Telegraph Equipment	100	0	0	25	28	47	0	0

a. Percentage distribution is for all Satellites excluding Bulgaria, whose output is relatively unimportant.
b. Percentage distribution is for all Satellites excluding Albania and Bulgaria, whose outputs are relatively unimportant.

For specific output data and a comparison of European Satellites and Soviet production, see Appendix A, Tables 60 and 61.*

d. Chemicals.

(1) Trends of Production.

Output of chemicals increased during 1952-53 by large percentages in Bulgaria and Hungary -- 42 percent and 31 percent, respectively. Production in Poland was augmented by 12 percent

* Pp. 114 and 116, respectively, below.

during the year, with a 9-percent increase in East Germany and a 6-percent increase in Rumania. In contrast to the prewar year of 1938, the chemical industry increased by over 150 percent in Poland and by about 130 percent in Rumania. The output of Hungary increased during the 1938-53 period by 76 percent, that of Czechoslovakia by 70 percent, and that of East Germany by 55 percent. The output of Bulgaria, which was zero in 1938, reached a level by 1953 over 20 times that of the 1948 output.

(2) Distribution of Production of Chemicals in 1953.

The northern Satellites, East Germany, Czechoslovakia, and Poland, dominate the production of chemicals. In 1953, East Germany produced 33 percent of the Satellite sulfuric acid output. Poland produced 31 percent, and the output of Czechoslovakia was 21 percent. Production of caustic soda was concentrated in East Germany to the extent of 56 percent, with another 20 percent in Poland, 11 percent in Czechoslovakia, and 10 percent in Rumania. East Germany produced the largest proportion of chlorine, nitric acid, synthetic ammonia, and calcium carbide; 75 percent, 50 percent, 62 percent, and 71 percent of the Satellite total, respectively. Two countries predominated in the manufacture of refined benzol -- Poland, which produced 47 percent, and Czechoslovakia, whose output was 42 percent. Likewise, the output of toluol was confined mostly to Czechoslovakia and Poland to the extent of 42 percent and 38 percent, respectively, with East Germany contributing 17 percent. East Germany dominated the production of refined phenol in 1953, accounting for 54 percent of the all-Satellite total, with 28 percent of the total coming from Poland, and 18 percent from Czechoslovakia. Seventy-five percent of cresol was produced in East Germany. Output of xylol and naphthalene was confined generally to Poland and Czechoslovakia, their contributions being in the neighborhood of 40 percent each, with East Germany contributing 18 percent of xylol and 12 percent of naphthalene. East German production of synthetic rubber was 92 percent of the total. Czechoslovakia predominated in the output of rubber tires, with 53 percent of the total, while East Germany contributed 25 percent. In the production of reclaimed rubber Czechoslovakia led again with 46 percent of the total. Poland contributed 27 percent and East Germany 26 percent (see Table 29*).

* Table 29 follows on p. 56.

Table 29

Distribution of Production of Selected Chemicals in the European Satellites
1953

Percent

Chemicals	All European Satellites	Albania	Bulgaria	Czecho-slovakia	East Germany	Hungary	Poland	Rumania
Sulfuric Acid	100	0	1	21	33	9	31	5
Caustic Soda	100	0	0	11	56	3	20	10
Chlorine	100	0	0	12	75	2	7	3
Nitric Acid	100	0	9	11	58	2	13	7
Synthetic Ammonia	100	0	5	12	62	4	15	2
Calcium Carbide	100	0	a/	7	71	2	19	1
Refined Benzol	100	0	a/	42	8	2	47	1
Toluol	100	0	a/	42	17	2	38	1
Refined Phenol	100	0	a/	18	54	a/	28	a/
Cresols	100	0	a/	9	75	4	12	a/
Xylol	100	0	0	38	18	2	41	1
Naphthalene	100	0	a/	45	12	3	40	a/
Rubber Tires	100	0	3	53	25	5	10	4
Synthetic Rubber	100	0	0	3	92	0	6	0
Reclaimed Rubber	100	0	1	46	26	0	27	0

a. Less than 0.05 percent.

For specific output data and comparison of European Satellites and USSR production, see Appendix A, Tables 62 and 69.*

e. Building Materials.

(1) Trends of Production.

The output of building materials increased by 31 percent in East Germany between 1952 and 1953. Four of the other Satellites -- Bulgaria, Poland, Rumania, and Albania -- increased

* Pp. 116 and 124, respectively, below.

their output by about 15 percent. A 10-percent increase was reported for Hungary and 7-percent for Czechoslovakia.

(2) Distribution of Production of Building Materials in 1953.

Almost three-fourths of the production of cement occurred in 3 of the Satellites -- Czechoslovakia, East Germany, and Poland. The output of Poland was 30 percent of the Satellite total, that of Czechoslovakia was 24 percent, and that of East Germany was 21 percent. Of the Southern Satellites, Rumania had 12 percent of the Satellite total, while Hungary and Bulgaria contributed 7 percent and 6 percent, respectively. Brick production was divided among the Satellites in proportions similar to that of cement. Poland accounted for 28 percent of the Satellite output, East Germany, 25 percent; Czechoslovakia, 19 percent; Hungary, 13 percent; Rumania, 9 percent; and Bulgaria, 6 percent. Total Satellite output of cement was 70 percent as much as the Soviet production in 1953. Brick output was 57 percent of Soviet production. For specific output data, see Appendix A, Table 58.*

f. Forest Products.

(1) Trends of Production.

From 1952 to 1953, output of forest products declined in 4 Satellite countries and increased in the other 3. The declines ranged from 1 percent in Hungary to 4 percent in Czechoslovakia and Albania. Polish output declined by 3 percent. Increases of 1, 2, and 9 percent occurred in East Germany, Rumania, and Bulgaria, respectively.

(2) Distribution of Production of Forest Products in 1953.

Bulgaria and Rumania had the highest proportions of the output of fuelwood in the Satellite countries. Bulgarian output was 28 percent of the total, and Rumania accounted for 27 percent. Czechoslovakia, Poland, and East Germany were each in a range of 10 to 12 percent of total Satellite output. The contribution of Hungary was 7 percent, and the remaining 6

* P. 111, below.

percent was provided by Albania. In the production of industrial wood, the alignment is somewhat different. The largest Satellite producer, Poland, had 28 percent of the total, and Czechoslovakia, East Germany, and Rumania supplied about 20 percent each. Bulgaria produced only 7 percent of the total and Hungary and Albania, 2 percent each (see Table 30). The production of fuelwood in the Satellites was one-sixth that of the USSR, while industrial wood output was about one-fifth that of the USSR. For specific output data, see Appendix A, Table 65.*

Table 30

Distribution of Production of Forest Products
in the European Satellites
1953

Percent

Country	Fuelwood	Industrial Wood
European Satellites	100	100
Albania	6	2
Bulgaria	28	7
Czechoslovakia	10	20
East Germany	12	20
Hungary	7	2
Poland	10	28
Rumania	27	21

g. Food Processing Industry.

(1) Trends of Production.

Output of processed foods in 1953 as compared to that of 1952 declined in the Satellite countries. The declines ranged from 2 percent in Albania to 25 percent in Czechoslovakia. Decreases in output of about 4 percent occurred in Bulgaria and Hungary. Rumania, East Germany, and Poland had decreases ranging from 8 to 12 percent.

* P. 121, below.

With the exception of Albania, the levels of 1953 output were well below those of 1938. In Poland and Czechoslovakia the 1953 output was 34 percent and 18 percent below 1938, respectively. Outputs of Rumania, Bulgaria, Hungary, and East Germany, were less than in 1938, in a range from 11 to 16 percent, and Albanian output was 69 percent above 1938.

(2) Distribution of Production of Processed Foods in 1953.

Production of flour was well distributed among the various Satellites. Poland was the largest producer, accounting for an output of 33 percent of the Satellite total. Czechoslovakia and East Germany had outputs of 15 percent and 17 percent, respectively. Bulgaria, Hungary, and Rumania produced between 11 percent and 12 percent each. The contribution of Albania was less than 0.05 percent. Production of animal fats was somewhat more concentrated, with Poland supplying 33 percent; East Germany, 27 percent; Czechoslovakia, 17 percent; and Hungary, 13 percent. Rumania and Bulgaria produced 6 percent and 4 percent, respectively, the output of Albania being negligible. The output of vegetable oil in East Germany, Hungary, Poland, and Rumania ranged from 17 percent to 23 percent of the Satellite total, while 12 percent was produced in Bulgaria, 4 percent in Czechoslovakia, and 2 percent in Albania. Production of raw sugar was concentrated in Czechoslovakia and East Germany, each having 26 percent, and Poland, which had 31 percent. The raw sugar production of Hungary was 10 percent of the total; that of Rumania, 5 percent; and that of Bulgaria, 2 percent. Albania's output was negligible. Poland and East Germany each produced 27 percent of the total meat output, Czechoslovakia, 18 percent; Hungary and Rumania, 11 percent each; and Bulgaria, the remaining 6 percent. Albania's output of meat was negligible (see Table 31*).

For specific output data and a comparison of European Satellite and Soviet production, see Appendix A, Tables 66 and 67.**

* Table 31 follows on p. 60.
** Pp. 121 and 122, respectively, below.

Table 31

Distribution of Production of Selected Processed Foods in the European Satellites 1953

Percent

Country	Flour	Animal Fats	Vegetable Oil	Raw Sugar	Meat
European Satellites	100	100	100	100	100
Albania	a/	a/	2	a/	a/
Bulgaria	11	4	12	2	6
Czechoslovakia	15	17	4	26	18
East Germany	17	27	17	26	27
Hungary	12	13	23	10	11
Poland	33	33	21	31	27
Rumania	12	6	21	5	11

a. Less than 0.05 percent.

h. Light and Textile Industry.

(1) Production Indexes.

Output of the light and textile industry in 1953 increased over the previous year in all Satellite countries except Poland, which had a one percent decline, and Czechoslovakia, where it remained constant. The extent of the increases in the remaining Satellites was very wide, reaching a maximum of 23 percent for Albania. Hungary's production was up by 2 percent, Rumania's by 8 percent, Bulgaria's by 9 percent, and East Germany's by 11 percent.

Only East Germany failed to exceed its 1938 output, 1953 production being 12 percent below the 1938 level. Other Satellites had increases in output in a range from 14 percent for Rumania to 21 percent for Poland. Within this range were Bulgaria and Czechoslovakia with an increase of 16 percent over 1938, and Hungary with an 18-percent increase.

(2) Distribution of Production of Light and Textile Products in 1953.

Czechoslovakia's output represented the largest proportion (49 percent) of all the boots and shoes manufactured in the European Satellites. The next largest producer, East Germany, produced about one-half this amount, 24 percent of the Satellite total. The contribution of Poland to boot and shoe production was 12 percent, with Rumania and Hungary adding 6 percent and 7 percent, respectively. Bulgaria's output was 2 percent, and Albania produced 0.4 percent of the Satellite total.

Production of rayon was concentrated in East Germany, which produced 70 percent of the Satellite total. Czechoslovakia produced 19 percent, and the remaining output was provided by Poland, with 9 percent, and Rumania and Hungary, each with 1 percent. The largest producer of wool was Poland, with 39 percent of the total output, followed closely by Czechoslovakia with production which amounted to 29 percent of the total. Of the other producers, Hungary supplied 12 percent; East Germany, 9 percent; Rumania, 6 percent; and Bulgaria, 5 percent. The production of cotton yarn was rather widely distributed, with Poland providing 34 percent; Czechoslovakia, 28 percent; East Germany, 16 percent; Hungary, 10 percent; and Rumania and Bulgaria, 6 percent each. Albania produced a minor amount (see Table 32).

Table 32

Distribution of Production of Light and Textile Industries in the European Satellites
1953

Percent

Country	Boots and Shoes	Synthetic Products (Rayon)	Wool Yarn	Cotton Yarn
European Satellites	100	100	100	100
Albania	0.4	0	0	0.4
Bulgaria	2	0	5	6
Czechoslovakia	49	19	29	28
East Germany	24	70	9	16
Hungary	7	1	12	10
Poland	12	9	39	34
Rumania	6	1	6	6

For specific output data and comparison of European Satellite and Soviet production, see Appendix A, Tables 68 and 69.*

B. Agricultural Sector.

1. Trends of Production.

In contrast to the continued substantial postwar gains shown by the industrial sector of the Satellite economies, the near recovery of agriculture to postwar peaks in 1950-51 was followed by declines of several percent in the following 2 years. As may be seen from Figure 8**, only Albania, Bulgaria, and Hungary exceeded the prewar level of agricultural production, and only Albania and Bulgaria were able to stay above that level in 1953, however, the latter by a very slight margin.

a. Industrial Crops.

Some branches of agriculture fared better than others. Several of the Satellites have fostered industrial crops in order to produce their own raw materials for the sugar and textile industries. Sugar beets and fibre crops have been given special encouragement. The production index for industrial crops in Albania, Bulgaria, Hungary, and Rumania was considerably higher in 1953 than it was in 1950 (see Table 33***). The crop indexes started from a low prewar base in these four countries, rose at a rapid rate immediately after the war up to 1951, and were still high in 1953. In Poland and Czechoslovakia, on the other hand, there has been a slight decline and in East Germany a drop of about 33 percent from the prewar production of industrial crops, principally in production of sugar beets and wool.

b. Livestock Numbers and Food Crops.

Indexes of livestock numbers and production of food crops, given in Table 34***, in all the Satellites except East Germany show an almost universally lower level of output in 1953 than in 1950. Moreover, there were sizable declines in production

* Pp. 123 and 124, respectively, below.
** Following p. 62.
*** Tables 33 and 34 follow on p. 63.

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Figure 8

EUROPEAN SATELLITES

AGRICULTURAL SECTOR INDEXES, 1938, 1951, and 1953

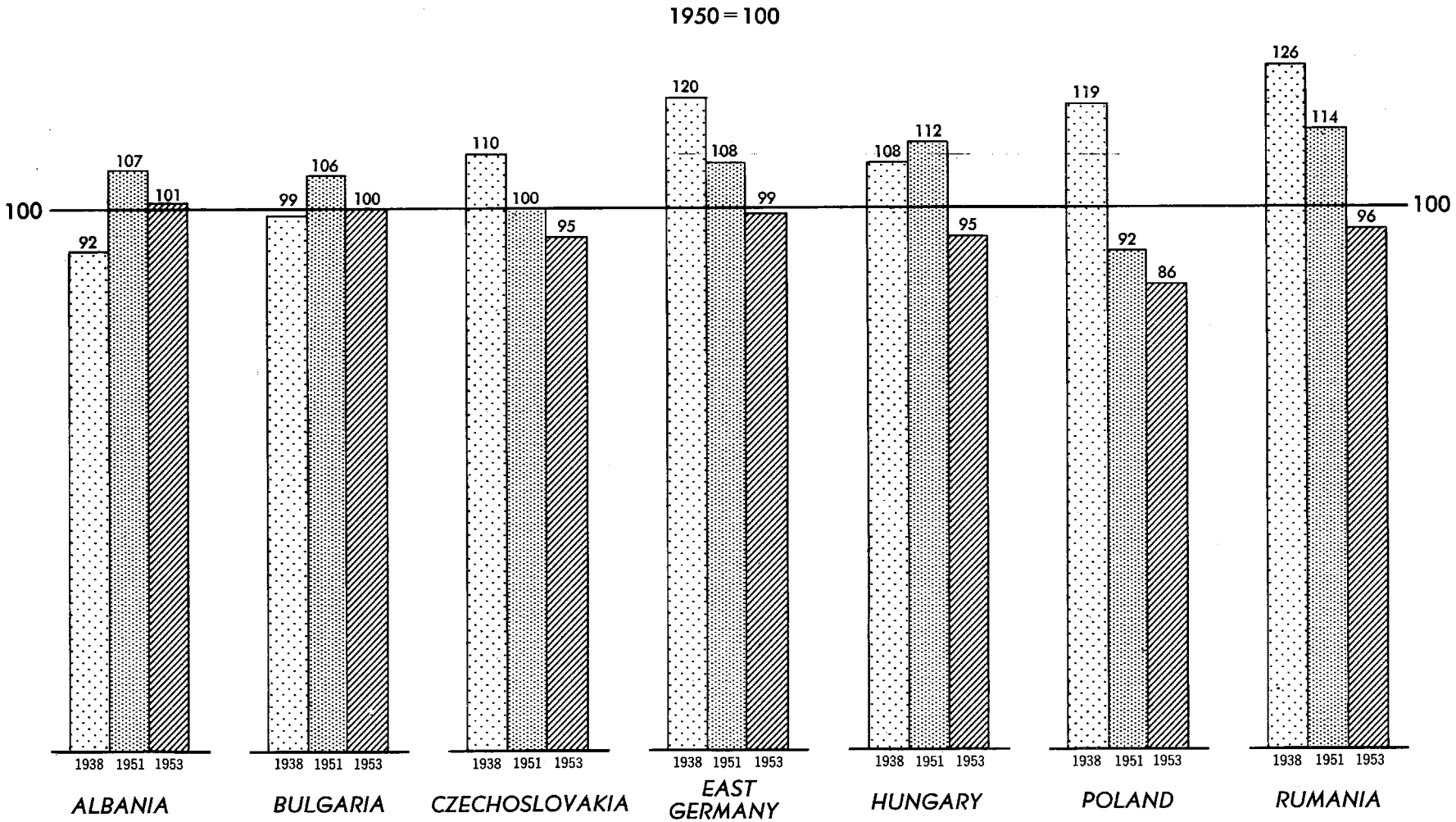

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Table 33

Indexes of Industrial Crop Production
in the European Satellites
1938 and 1948-53

1950 = 100

Country	1938 a/	1948	1949	1950	1951	1952	1953
Albania	78	86	90	100	113	110	123
Bulgaria	84	95	101	100	117	103	123
Czechoslovakia	99	81	81	100	94	76	91
East Germany	138	76	69	100	102	74	93
Hungary	71	93	100	100	125	91	112
Poland	97	72	83	100	86	79	92
Rumania	85	88	91	100	105	96	114

a. 1935-39 average.

in 1953 from the previous year for 3 countries, amounting to a drop of 15 percent for Hungary, nearly 10 percent for Poland, and 8 percent for East Germany. This decline was principally in livestock numbers, since breadgrain production was not below the previous year, except in Poland, but cattle and hog numbers were down in all countries.

Table 34

Indexes of Livestock Numbers and Food Crops
in the European Satellites
1938 and 1948-53

1950 = 100

Country	1938 a/	1948	1949	1950	1951	1952	1953
Albania	93	100	99	100	105	97	99
Bulgaria	100	104	101	100	106	95	99
Czechoslovakia	110	83	88	100	100	98	95
East Germany	118	81	86	100	108	109	100
Hungary	109	93	101	100	111	95	81
Poland	120	81	96	100	92	95	86
Rumania	130	106	99	100	114	95	95

a. 1935-39 average.

2. Distribution of Production.

The relative distribution among the Satellites of livestock numbers and major crop production given in Table 35 gives an idea of the major agricultural contributors to the Satellite total. Except for the industrial crops and rice, the relative distribution of agricultural output in 1953 was very similar to that of the prewar period. Poland still is predominant in production of grains and livestock but does not account for so large a percentage of the total numbers of cattle and hogs as in the prewar period, having dropped from 39 to 29 percent of the total cattle numbers and from 39 to 32 percent of the total number of hogs. Hungary and Rumania have made notable gains over the other Satellites in growing rice, cotton, and hemp; Rumania holds the lead in production of wool; and Poland grows more than 50 percent of the flax.

For specific output data and a comparison of European Satellite and Soviet production, see Appendix A, Tables 72 and 73.*

Table 35

Distribution of Livestock Numbers and Production of Selected Crops in the European Satellites 1938 a/ and 1953 *

Percent

		All European Satellites	Albania	Bulgaria	Czechoslovakia	East Germany	Hungary	Poland	Rumania
Cattle									
	1938	100	2	6	18	14	7	39	14
	1953	100	2	8	19	18	8	29	16
Sheep and Goats									
	1938	100	8	31	5	8	5	9	33
	1953	100	8	29	5	8	3	10	37
Hogs									
	1938	100	0.1	3	13	23	12	39	10
	1953	100	0.1	4	17	25	14	32	8

* Footnote for Table 35 follows on p. 65.

* Pp. 128 and 130, respectively, below.

Table 35

Distribution of Livestock Numbers and Production of Selected Crops
in the European Satellites
1938 a/ and 1953
(Continued)

Percent

		All European Satellites	Albania	Bulgaria	Czecho-slovakia	East Germany	Hungary	Poland	Rumania
Horses									
	1938	100	1	7	9	11	11	42	20
	1953	100	1	8	10	12	10	46	14
Breadgrains									
	1938	100	0.2	9	13	15	13	37	13
	1953	100	0.5	11	13	14	14	36	12
Coarse Grains									
	1938	100	0.7	7	13	13	16	24	26
	1953	100	1	9	15	14	17	23	22
Rice									
	1938	100	4	91	0	0	0	0	4
	1953	100	4	22	0	0	51	0	24
Potatoes									
	1938	100	0	0.2	16	21	3	58	2
	1953	100	0	0.2	14	23	3	58	2
Cotton (Ginned)									
	1938	100	0	90	0	0	0	0	10
	1953	100	4	51	0	0	11	0	35
Wool (Grease)									
	1938	100	4	27	1	11	13	6	38
	1953	100	5	26	2	8	8	7	44
Flax									
	1938	100	0	0.4	22	20	4	47	7
	1953	100	0	1	18	12	6	55	9
Hemp									
	1938	100	0	6	7	13	18	16	41
	1953	100	0	8	6	3	26	9	48
Sugar Beets									
	1938	100	0	1	23	35	5	33	3
	1953	100	0.3	2	23	28	10	30	5

a. 1935-39 average.

V. Consumer Welfare.

A. Introduction.

Although consumer welfare has been affected by distinctive factors in some of the European Satellites, a common pattern of developments in this sphere is discernible. During the first phase, roughly covering the period from the end of the war to 1949, the economies converted and recovered from wartime conditions. This phase is characterized by increased supplies of consumer goods, partial or complete reduction of rationing, and, toward the end of the period, the initiation of a moderate, short-term program of industrialization and socialization under a quasinationalistic banner. With the elimination or reduction in scope of rationing, retail prices typically were stabilized somewhere between the level which had existed for rationed goods and that for transactions on the free market.

The second phase of economic developments especially pertinent to a consideration of consumer welfare is marked by the inauguration of the first Satellite Five Year Plans (a Six Year Plan in the case of Poland). These programs represented a shift in resource allocation in favor of industrial buildup, particularly expansion of heavy industry, and an emphasis on greater integration of the economies of the Bloc countries under the direction of the USSR. Real per capita consumption does not appear to have fallen as a result of these plans, but the growth in gross national products was devoted almost entirely to capital investment rather than to improvement of living conditions.

Following the enlistment of growing numbers of workers in new or rejuvenated industries at relatively high wages, there was a widening gap between the amount of money accumulated by workers and the supply of consumer goods which could be purchased with that money. A serious degree of absenteeism from work, inflation, and related difficulties resulted. To correct these byproducts of the countries' rapid industrialization, currency reforms were instituted in each major Satellite except Hungary. Under the cover of these reforms, consumer savings were to a large extent confiscated, consumer incomes were adjusted to the available supplies of consumer goods, and real income was redistributed to further Communist economic and political goals.

The third phase of postwar developments particularly affecting consumer welfare dates from the middle or latter part of 1953, depending upon the country. Various price and tax reductions and wage increases were reported and increased supplies of goods were made available. Some shift in production and in new plant construction favoring consumer goods apparently also took place. But in general, the per capita availability of consumer goods in the European Satellites has remained below the prewar levels in these countries.

The foregoing developments are reflected in the data below on the per capita caloric consumption of food and the per capita production of agricultural commodities and manufactured goods. Of these, caloric consumption alone takes account of imports and exports and changes in inventories. Thus the other measures do not show exactly what has been happening to the standard of living, because they reflect current production only.

Although food and manufactured consumer goods are paramount in a consideration of living standards, some attention to housing and the service trades would be desirable if adequate information were at hand. Nevertheless, it is not thought that these omissions materially affect the welfare implications of the per capita production figures which are presented. The problem of estimating consumer welfare may also be approached from the point of view of trends in purchasing power of wages and cost of living. Since the necessary time series of price and wage data are not available, per capita measures of consumption and production were employed in the present instance.

B. Availability of Agricultural Commodities.*

1. Per Capita Consumption of Food.

The difficulties which the Communist regimes have experienced in increasing agricultural production are clearly reflected in what is perhaps the most significant single indicator of consumer welfare -- the per capita food consumption in calories. Table 36** and Figure 9*** show the average daily caloric consumption per person

* Including livestock, food crops, and industrial crops.
** Table 36 follows on p. 68.
*** Following p. 68.

Table 36

Average Daily Per Capita Caloric Consumption of Food a/
in the European Satellites 166/
Prewar, 1951/52, 1952/53, and 1953/54 b/

Country	Calories				Changes (Percent)		
	Prewar	1951/52	1952/53	1953/54	Prewar to 1953/54	1951/52 to 1952/53	1952/53 to 1953/54
Albania	1,758 c/	1,624	1,471	1,645	-6	-9	+12
Bulgaria	2,424 c/	2,326	2,177	2,336	-4	-6	+7
Czechoslovakia	2,501 c/	2,364	2,262	2,358	-6	-4	+4
East Germany	2,810 d/	2,081	2,102	2,356	-16	+1	+12
Hungary	2,632 c/	2,367	2,324	2,372	-10	-2	+2
Poland	2,791 e/	2,723	2,745	2,783	0	+1	+1
Rumania	2,606 c/	2,483	2,080	2,168	-17	-16	+4

a. Includes grains, sugar, potatoes, animal fats and vegetable oils, fish, and milk, which normally account for 90 to 95 percent of total caloric consumption.
b. 1 July to 30 June.
c. 1933-37 average.
d. 1935-38 average.
e. 1934-38 average.

in the seven Satellite countries during the prewar period and for the years 1951/52, 1952/53, and 1953/54.* Food consumption in the year ending 30 June 1954 was expected to equal the prewar level only in Poland. The estimated decline from prewar levels in the other countries ranges from 4 percent in Bulgaria to 16 percent in East Germany and 17 percent in Rumania.

Although the estimated per capita food consumption in 1953/54 is still below the prewar achievement in 6 of the 7 countries, it nevertheless represents a significant gain over the values for 1952/53. Albania and East Germany show the largest increases from 1952/53 to 1953/54 -- 12 percent in each case -- while increases of from 1 to 7 percent are recorded for the other Satellites.

* For the consumption year, 1 July to 30 June.

Largely because of unfavorable weather conditions for the 1952 harvest, food consumption in 1952/53 was lower than the previous year, when the agricultural production of the Satellites reached the highest point of the past 6 years. Still larger reductions in consumption were avoided only by drawing upon State reserves of foodstuffs or, in the case of East Germany, by obtaining additional imports of foodstuffs from the USSR. 167/ As Figure 9 shows, the effect of the 1953/54 gains in Albania, Bulgaria, Czechoslovakia, and Hungary is generally to restore the food consumption levels of 1951/52. East Germany has done much better than this, but Rumania is still well below its 1951/52 accomplishment. Only Poland, which was a close second to East Germany in prewar per capita caloric consumption of food, has been successful in maintaining prewar standards throughout the last 3 years.

2. Per Capita Production and Trade.

The availability of food in the European Satellites, taken as a unit, depends very largely on each country's own agricultural output. Inspection of the indexes of per capita agricultural output in Table 37* indicates first, that prewar production levels were reached in three of the countries but were not maintained; second, that 1951 was in general the best year of the last six; and third, that without exception, agricultural output in 1952 and 1953 was lower than (or, in a single case, equal to) output in 1951. East Germany has made the greatest gain in production since 1948. On the other hand, Bulgaria, Hungary, Poland, and Rumania show lower agricultural production for 1953 than for any year in the period 1948-51.

Since agricultural production depends so heavily on the unpredictable factor of weather, these estimates should not be regarded as indicating a downward trend. On the other hand, there can be no doubt that recent Communist efforts to increase production of agricultural commodities have been unsuccessful and that this problem continues to be one of the most serious ones facing the Satellite governments.

* Table 37 follows on p. 70.

Table 37

Indexes of Per Capita Production of Agricultural Commodities a/
in the European Satellites b/
1938 and 1948-53

1950 = 100

Country	1938	1948	1949	1950	1951	1952	1953
Bulgaria	111	107	103	100	106	95	97
Czechoslovakia	93	85	93	100	99	94	92
East Germany	136	79	83	100	110	110	104
Hungary	109	94	101	100	111	92	93
Poland	95	83	91	100	90	83	81
Rumania	129	106	99	100	113	93	92

a. Livestock, food crops, and industrial crops. CIA indexes are based on estimates of production, prices, and population.
b. Not including Albania.

The consumer in the Satellite countries has, furthermore, suffered a qualitative as well as a quantitative reduction in his diet from prewar standards. The per capita production of meats, fats and oils, and sugar has been much lower in these countries since the war than it was in 1938. 168/ These foods have to some extent been replaced by grain products and potatoes. The proportion of food intake represented by grains alone has increased to 64 percent from a prewar figure of 54 percent. 169/ This reduction in the protein and fat content of the average diet is not only a source of dissatisfaction among consumers but may well have a significant effect on the productivity of the workers.

The consumption of food in the Satellites in 1952/53 was more than usually dependent on intra-Soviet Bloc trade. This was largely the result of the poor harvest of 1952, which restricted farm output throughout the Satellites and eliminated the Balkan Satellites' normal surpluses of grain. Additional shipments of grain were consequently sent to East Germany from the USSR, and Satellite exports to non-Bloc countries were drastically reduced. During the year ending 30 June 1953 the USSR sent an estimated

895,000 metric tons* of grain to Czechoslovakia and about half that amount to East Germany, while receiving some 260,000 tons from Poland and negligible amounts from Bulgaria and Rumania. The USSR, however, received about 200,000 tons of potatoes and 60,000 tons of sugar from East Germany and about 40,000 tons of sugar from Poland. The only sizable shipments of meat from the USSR went to East Germany and Czechoslovakia, which received 10,000 and 6,000 tons respectively. On the other hand, Rumania supplied the USSR with approximately twice this quantity of meat. The USSR also provided the Satellites with some animal fats and vegetable oils -- most notably 43,000 tons for East Germany and 21,000 tons for Czechoslovakia. 170/

C. Per Capita Production of Manufactured Consumer Goods.

Indexes of per capita production of manufactured consumer goods in the European Satellites show a distinctly different situation from that discussed above for agricultural commodities. Table 38** indicates that Bulgaria, East Germany, Hungary, and Rumania have made important gains in the manufactured consumer goods sector throughout the period 1948-53. The increase from 1948 to 1953 amounts to 109 percent for East Germany (whose output of such goods was still at a very low level in 1948), 37 percent for Hungary and Rumania, and 25 percent for Bulgaria. Czechoslovakia and Poland achieved their prewar outputs of manufactured consumer goods rather quickly after the war, but as Table 38 shows, their production of these goods has generally leveled off since 1948 and was less in 1953 than in the preceding 3 years.

Per capita production of the light and textile industries (see Table 39**) has followed much the same pattern as the more inclusive category of manufactured consumer goods. A tendency for production to level off and then decline is again apparent for the countries which attained prewar levels relatively early (Czechoslovakia, Hungary, and Poland). Conversely, very rapid rates of growth in the production of these goods are found for the countries whose outputs were rather low during the first postwar years (Rumania, Bulgaria, and especially East Germany).

* Tonnages throughout this report are given in metric tons.
** Tables 38 and 39 follow on p. 72.

Table 38

Indexes of Per Capita Production of Manufactured Consumer Goods in the European Satellites a/
1938 and 1948-53

1950 = 100

Country	1938	1948	1949	1950	1951	1952	1953
Bulgaria	119	92	98	100	108	112	115
Czechoslovakia	76	94	103	100	99	101	93
East Germany	96	68	84	100	124	137	142
Hungary	94	79	90	100	104	107	108
Poland	79	79	90	100	101	96	91
Rumania	120	85	91	100	108	115	116

a. Not including Albania. CIA indexes are based on estimates of production, prices, and population.

Table 39

Indexes of Per Capita Production of Light and Textile Industry in the European Satellites a/
1938 and 1948-53

1950 = 100

Country	1938	1948	1949	1950	1951	1952	1953
Bulgaria	126	88	101	100	113	118	127
Czechoslovakia	72	107	113	100	100	97	96
East Germany	196	61	87	100	130	142	160
Hungary	79	77	89	100	102	104	105
Poland	67	82	96	100	102	100	97
Rumania	122	74	83	100	113	123	131

a. Not including Albania. CIA indexes are based on estimates of production, prices, and population.

VI. Population.

A. Summary.

Satellite population will continue to grow slowly. In the near future the proportion of old people will increase, as will the proportion of children 14 years of age and under. As a consequence, the proportion of the persons in the 15-59 years age group will decrease. The labor force itself will increase only slightly as a percentage of the total population. Within the labor force a structural change which began earlier will continue, to the end that larger proportions of the labor force will be devoted to industrial pursuits and smaller proportions to agricultural pursuits. By 1956, more workers will be engaged in nonagricultural pursuits than in agricultural.

B. Total Population.*

Population in 1953 in the European Satellite countries increased by 1 percent over 1952. Of a total 92 million persons (43 percent of the population of the USSR) almost 29 percent were in Poland and nearly 20 percent in East Germany. The five other Satellites accounted for slightly over 50 percent of the total Satellite population (see Figure 10**).

Population estimates for the European Satellites indicate that by 1956 the Satellite countries as a group will attain their prewar population level of about 95 million persons. The relative distribution of the population as among the various Satellites will change but little by 1956. The percentage increases of individual Satellite populations between 1953 and 1956 will vary from zero for East Germany to 6.2 for Albania, with the over-all Satellite increase estimated at 3.4 percent. Poland's population will rise by 5.7 percent, Bulgaria's by 4.3 percent, with the population of Rumania, Hungary and Czechoslovakia growing by 3.5 percent, 3.1 percent, and 2.7 percent, respectively (see Table 40***).

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* Population statistics in this section refer to present boundaries both for prewar and postwar.

** Following p. 74.

*** Table 40 follows on p. 74.

Table 40

Population of the European Satellites
1938 and 1948-56

Year	All European Satellites	Albania	Bulgaria	Czecho-slovakia	East Germany	Hungary	Poland	Rumania
	Number (Thousands)							
1938	94,979	1,100	6,544	14,606	16,600	9,156	31,200	15,873
1948	88,455	1,175	7,100	12,120	19,100	9,130	23,850	15,980
1949	89,488	1,285	7,175	12,260	19,100	9,200	24,300	16,168
1950	90,028	1,200	7,322	12,400	18,800	9,220	24,780	16,306
1951	90,613	1,240	7,310	12,510	18,500	9,300	25,250	16,503
1952	91,386	1,270	7,423	12,640	18,200	9,380	25,770	16,703
1953	92,144	1,290	7,537	12,760	17,900	9,450	26,300	16,907
1954	93,239	1,310	7,652	12,880	17,900	9,580	26,800	17,117
1955	94,265	1,335	7,750	13,000	17,900	9,670	27,300	17,310
1956	95,285	1,370	7,860	13,105	17,900	9,740	27,810	17,500
	Indexes (1950 = 100)							
1938	105.5	83.3	89.4	117.8	88.3	99.3	125.9	97.3
1948	98.3	97.9	97.0	97.7	101.6	99.0	96.2	98.0
1949	99.4	107.1	98.0	98.9	101.6	100.0	98.1	99.2
1950	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1951	100.6	103.3	99.8	100.9	98.4	101.1	101.9	101.2
1952	101.5	105.8	101.4	101.9	96.8	101.7	104.0	102.4
1953	102.4	107.5	102.9	102.9	95.2	102.5	106.1	103.7
1954	103.6	109.2	104.5	103.9	95.2	103.9	108.2	105.0
1955	104.7	111.3	105.8	104.8	95.2	104.9	110.2	106.2
1956	105.8	114.2	107.3	105.7	95.2	105.6	112.2	107.3

Table 40

Population of the European Satellites
1938 and 1948-56
(Continued)

Year	All European Satellites	Albania	Bulgaria	Czecho-slovakia	East Germany	Hungary	Poland	Rumania
	Distribution (Percentage)							
1938	100	1.1	6.9	15.4	17.5	9.6	32.8	16.7
1948	100	1.3	8.0	13.7	21.6	10.3	27.0	18.1
1949	100	1.4	8.0	13.7	21.3	10.3	27.2	18.1
1950	100	1.3	8.1	13.8	20.9	10.2	27.5	18.2
1951	100	1.4	8.1	13.8	20.4	10.3	27.8	18.2
1952	100	1.4	8.1	13.8	19.9	10.3	28.2	18.3
1953	100	1.4	8.2	13.8	19.4	10.4	28.5	18.3
1954	100	1.4	8.2	13.8	19.2	10.3	28.7	18.4
1955	100	1.4	8.2	13.8	19.0	10.3	28.9	18.4
1956	100	1.4	8.2	13.8	18.8	10.2	29.2	18.4

C. Population by Age Group.

The pattern of development of population in the Satellites is such that the youngest and the oldest age groups will increase more rapidly than the very large group in between. The number of persons 14 years and under will increase by 19 percent between 1950 and 1960 in the European Satellites as a whole. In the age group 15 to 59 years (inclusive) the increase will be only 4 percent, while the 60-years-and-over group will grow by 23 percent.

This pattern will hold for all the individual Satellite countries with the exception of Albania and East Germany. In Albania, in the 0-14 years age group, the increase will be 29 percent. Although there will be a 22-percent increase in the 15-59 years age group, the oldest age group, 60-years-and-over, will decrease by 1

percent between 1950 and 1960. In East Germany the number of persons in the 0-14 group will decline by 18 percent, whereas population aged 15-59 years will decrease by only 7 percent. At the same time, however, the number of persons over 60 years old will increase by 9 percent (see Table 41).

Table 41

Indexes of Population of the European Satellites by Age Group
1950, 1955, and 1960

1950 = 100

Country	Year	0 to 14	15 to 59	60 and Over
European Satellites	1950	100	100	100
	1955	108	103	109
	1960	119	104	123
Albania	1950	100	100	100
	1955	110	112	92
	1960	129	122	99
Bulgaria	1950	100	100	100
	1955	113	103	107
	1960	130	106	123
Czechoslovakia	1950	100	100	100
	1955	113	101	109
	1960	121	102	123
East Germany	1950	100	100	100
	1955	87	96	102
	1960	82	93	109
Hungary	1950	100	100	100
	1955	105	102	110
	1960	109	104	126
Poland	1950	100	100	100
	1955	117	107	116
	1960	140	109	142
Rumania	1950	100	100	100
	1955	106	105	113
	1960	121	108	127

From the foregoing it appears that the proportion of total population represented by the 0-14 years and 60-years-and-over age groups will increase between 1950 and 1960. Persons 14 years old and under will constitute 28.5 percent of total Satellite population in 1960, compared to 26.3 percent in 1950. The only case where this group will not become a larger proportion of population will be in East Germany, where the proportion in 1950 was 22 percent, whereas the percentage in 1960 will be 19.5. For all the Satellites, persons aged 60 years and over constituted 11 percent of the population in 1950, whereas in 1960 the proportion will be 12.3 percent. In all the individual countries except Albania the proportion of population will increase in this age group. On the other hand, the percentage of population in the 15-59 year age group in the Satellites as a whole will decrease from 62.7 percent in 1950 to 59.2 percent in 1960. Without exception the proportions of population in the individual Satellites in this age group will be lower in 1960 than in 1950 (see Table 42).

Table 42

Distribution of Population of the European Satellites by Age Group 1950, 1955, and 1960

Percent

Country	Year	Total	0 to 14	15 to 59	60 and Over
European Satellites	1950	100.0	26.3	62.7	11.0
	1955	100.0	27.0	61.7	11.3
	1960	100.0	28.5	59.2	12.3
Albania	1950	100.0	36.6	55.6	7.8
	1955	100.0	36.5	56.9	6.6
	1960	100.0	38.5	55.3	6.2
Bulgaria	1950	100.0	26.9	63.5	9.6
	1955	100.0	28.7	61.6	9.7
	1960	100.0	30.6	59.0	10.4
Czechoslovakia	1950	100.0	25.3	63.0	11.7
	1955	100.0	27.1	60.7	12.2
	1960	100.0	27.9	58.9	13.2
East Germany	1950	100.0	22.1	61.9	16.0
	1955	100.0	20.1	62.8	17.1
	1960	100.0	19.5	61.8	18.7

Table 42

Distribution of Population of the European Satellites by Age Group
1950, 1955, and 1960
(Continued)

Percent

Country	Year	Total	0 to 14	15 to 59	60 and Over
Hungary	1950	100.0	24.5	63.3	12.2
	1955	100.0	24.8	62.3	12.9
	1960	100.0	24.8	61.0	14.2
Poland	1950	100.0	28.4	63.4	8.2
	1955	100.0	30.2	61.3	8.5
	1960	100.0	32.9	57.6	9.5
Rumania	1950	100.0	28.8	62.2	9.0
	1955	100.0	28.7	61.7	9.6
	1960	100.0	30.7	59.2	10.1

It is thus clear that in the Satellites as a whole, the unproductive age groups will increase as a proportion of population, whereas the productive age group (15-59 years) will decrease. Or put another way, increases of population will be greater in the 0-14 years and 60-years-and-over age groups than in the 15-59 year age group. Thus the population base for the labor force will expand more slowly than will the population as a whole.

D. Labor Force.

The labor force for all the Satellite countries was slightly under 43 million persons in 1953, having increased by 2 percent over the previous year. A 4.3-percent increase is expected between 1953 and 1956, bringing the labor force total to almost 45 million. Increases in the labor force for individual Satellites between 1953 and 1956 will vary from 1.8 percent for Bulgaria to 6.3 percent for Czechoslovakia. The percentage increase forecast for East Germany is 4.9 percent; for Poland, 4.2 percent; for Albania, 4.4 percent; for Rumania, 3.8 percent; and for Hungary 3.3 percent (see Table 43* and Figure 11**).

* Table 43 follows on p. 79.
** Following p. 78.

Figure 11

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EUROPEAN SATELLITES

INDEXES OF AGRICULTURAL AND NONAGRICULTURAL LABOR FORCE, 1948-56

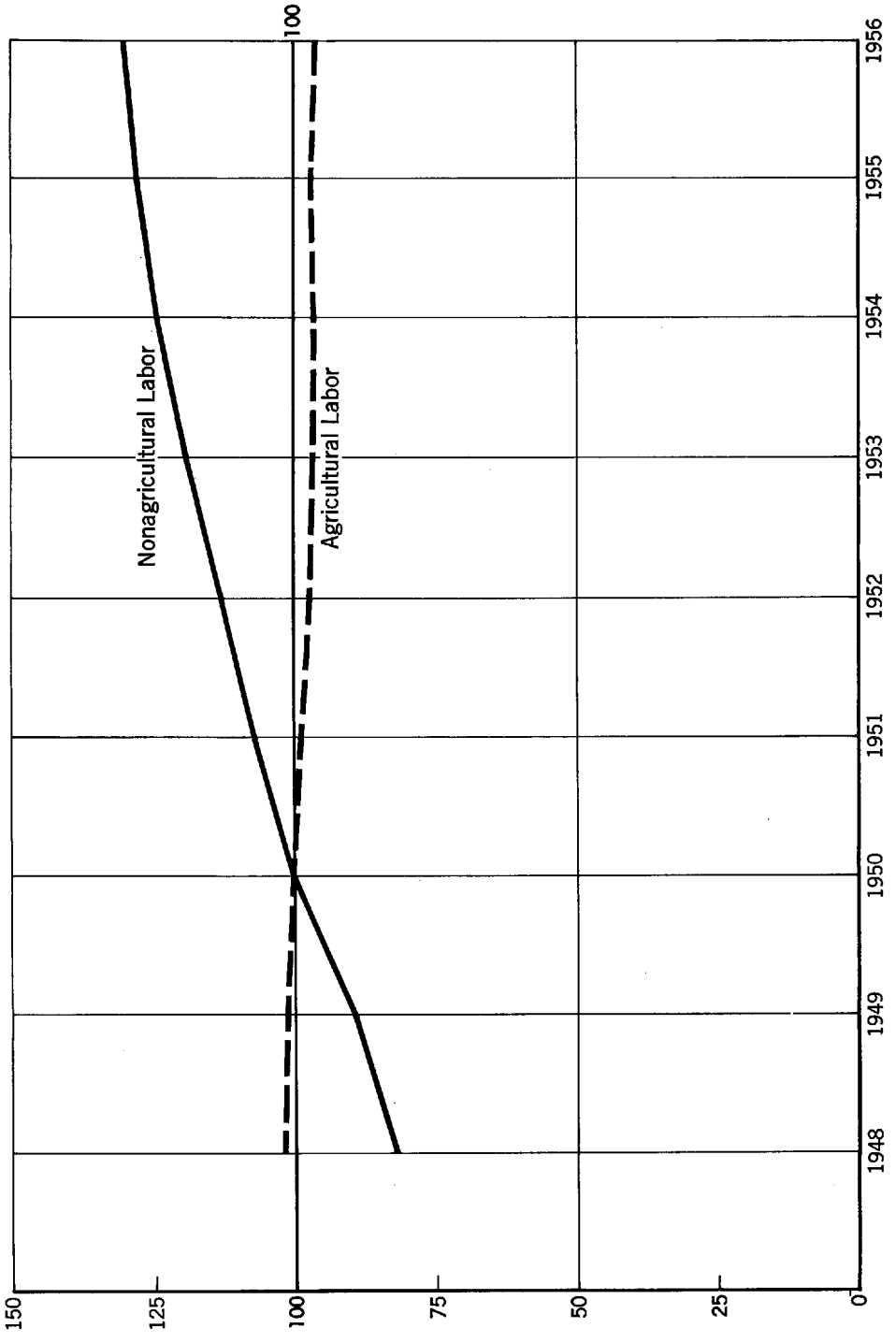

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Table 43

Labor Force of the European Satellites
1948-56

Year	All European Satellites	Albania	Bulgaria	Czecho-slovakia	East Germany	Hungary	Poland	Rumania
	Number (Thousands)							
1948	37,652	537	3,495	5,245	6,550	3,625	10,900	7,300
1949	38,623	546	3,512	5,290	6,725	3,785	11,230	7,535
1950	40,182	554	3,503	5,310	7,100	3,955	11,895	7,865
1951	41,215	565	3,479	5,401	7,325	4,075	12,245	8,125
1952	42,110	573	3,457	5,475	7,575	4,150	12,605	8,275
1953	42,929	582	3,459	5,575	7,675	4,260	12,860	8,518
1954	43,753	590	3,480	5,740	7,850	4,325	13,125	8,643
1955	44,337	599	3,500	5,845	8,050	4,350	13,250	8,743
1956	44,746	608	3,520	5,925	8,050	4,400	13,400	8,843
	Indexes (1950 = 100)							
1948	93.7	96.9	99.8	98.8	92.3	91.7	91.6	92.8
1949	96.1	98.6	100.3	99.6	94.7	95.7	94.4	95.8
1950	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1951	102.6	102.0	99.3	101.7	103.2	103.0	103.0	103.3
1952	104.8	103.4	98.7	103.1	106.7	104.9	106.0	105.2
1953	106.8	105.1	98.7	105.0	108.1	107.7	108.1	108.3
1954	108.9	106.5	99.3	108.1	110.6	109.4	110.3	109.9
1955	110.3	108.1	99.9	110.1	113.4	110.0	111.4	111.2
1956	111.4	109.7	100.5	111.6	113.4	111.3	112.7	112.4

No great change in the proportion of labor force to total population is anticipated for the 1953-56 period. The labor force as a percentage of total population for all the Satellite countries will change only slightly, from 46.6 percent in 1953 to 47.0 percent in 1956. The individual countries will vary in a narrow range from 43 percent for East Germany and 50 percent for Poland in 1953, to 44 percent for Albania and 51 percent for Rumania in 1956 (see Table 44).

Table 44

Labor Force of the European Satellites in Relation to Total Population
1948-56

Percent

Year	European Satellites	Albania	Bulgaria	Czecho-slovakia	East Germany	Hungary	Poland	Rumania
1948	42.57	45.70	49.22	43.28	34.29	39.70	45.70	45.68
1949	43.16	42.49	48.95	43.15	35.21	41.14	46.21	46.60
1950	44.63	46.17	47.84	42.82	37.77	42.90	48.00	48.23
1951	45.48	45.56	47.59	43.17	39.59	43.82	48.50	49.23
1952	46.08	45.12	46.57	43.31	41.62	44.24	48.91	49.54
1953	46.59	45.12	45.89	43.69	42.88	45.08	48.90	50.38
1954	46.93	45.04	45.48	44.57	43.85	45.15	48.97	50.49
1955	47.03	44.87	45.16	44.96	44.97	44.98	48.53	50.51
1956	46.96	44.38	44.78	45.21	44.97	45.17	48.18	50.53

1. Nonagricultural Labor Force.

The growth of that part of the labor force which is devoted to nonagricultural pursuits is a rough index of the rate of industrialization. In 1953 there were 21 million persons in the nonagricultural labor force of the Satellite countries. By 1956 this figure will probably be about 23 million, an increase of 9 percent over 1953. The projected growth of the nonagricultural labor force in the various Satellite countries shows a considerable variation. The nonagricultural labor forces of Bulgaria,

Czechoslovakia, and Hungary will grow by about 6 percent between 1953 and 1956; of East Germany by 7 percent; and of Poland by 11 percent. The Rumanian and Albanian increases will be 17 and 27 percent, respectively (see Table 45).

Table 45

Nonagricultural Labor Force of the European Satellites
1948-56

Year	All European Satellites	Albania	Bulgaria	Czecho-slovakia	East Germany	Hungary	Poland	Rumania
	Numbers (Thousands)							
1948	14,648	58	795	3,045	4,350	1,600	3,500	1,300
1949	15,815	73	837	3,130	4,550	1,810	3,855	1,560
1950	17,687	89	878	3,230	4,975	2,030	4,545	1,940
1951	18,979	104	904	3,376	5,225	2,200	4,920	2,250
1952	20,104	117	932	3,500	5,475	2,300	5,330	2,450
1953	21,052	130	959	3,625	5,575	2,410	5,610	2,743
1954	21,905	142	980	3,740	5,750	2,475	5,900	2,918
1955	22,566	153	1,000	3,795	5,950	2,500	6,100	3,068
1956	23,028	165	1,020	3,825	5,950	2,550	6,300	3,218
	Indexes (1950 = 100)							
1948	82.8	65.2	90.5	94.3	87.4	78.8	77.0	67.0
1949	89.4	82.0	95.3	96.9	91.5	89.2	84.8	80.4
1950	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1951	107.3	116.9	103.0	104.5	105.0	108.4	108.3	116.0
1952	113.7	131.5	106.2	108.4	110.1	113.3	117.3	126.3
1953	119.0	146.1	109.2	112.2	112.1	118.7	123.4	141.4
1954	123.8	159.6	111.6	115.8	115.6	121.9	129.8	150.4
1955	127.6	171.9	113.9	117.5	119.6	123.2	134.2	158.1
1956	130.2	185.4	116.2	118.4	119.6	125.6	138.6	165.9

Another measure of the degree of industrialization is the ratio of nonagricultural workers to all workers. This ratio for the Satellites as a whole in 1953 was 49 percent. The range of the ratios of the Satellites individually shows a great deal of variation from Albania, with 22 percent, to East Germany, with 73 percent. In between are Czechoslovakia, with 65 percent; Hungary, with 57 percent; Poland, with 44 percent; Rumania, with 32 percent; and Bulgaria, with 28 percent. These ratios will not change very markedly over the next few years. By 1956 the all-Satellite ratio will probably reach 51.5 percent. About 74 percent of the East German labor force will be in nonagricultural pursuits, as will 65 percent of the Czechoslovak labor force. Close behind will be Hungary with 58 percent of its labor force in nonagricultural occupations. The percentage for Poland will be 47 percent; for Rumania, 36 percent; for Bulgaria, 29 percent; and for Albania, 27 percent (see Table 46).

Table 46

Nonagricultural Labor Force of the European Satellites in Relation to Total Labor Force 1948-56

Percent

Year	All European Satellites	Albania	Bulgaria	Czechoslovakia	East Germany	Hungary	Poland	Rumania
1948	38.90	10.80	22.75	58.06	66.41	44.14	32.11	17.81
1949	40.95	13.37	23.83	59.17	67.66	47.82	34.33	20.70
1950	44.02	16.06	25.06	60.83	70.07	51.33	38.21	24.67
1951	46.05	18.41	25.98	62.51	71.33	53.99	40.18	27.69
1952	47.74	20.42	26.96	63.93	72.28	55.42	42.28	29.61
1953	49.04	22.34	27.72	65.02	72.64	56.57	43.62	32.20
1954	50.07	24.07	28.16	65.16	73.25	57.23	44.95	33.76
1955	50.90	25.54	28.57	64.93	73.91	57.47	46.04	35.09
1956	51.46	27.14	28.98	64.56	73.91	57.95	47.01	36.39

2. Agricultural Labor Force.

In 1953, almost 22 million persons were in the agricultural labor force in all the Satellite countries. By 1956 this figure will probably be reduced to about 21.7 million, but if the

modified economic programs are successful, this slight downward trend may be halted. For the Satellites as a group, the estimated decrease will be 0.7 percent for the 1953-56 period. The agricultural labor force of Bulgaria, East Germany, and Hungary probably will not change at all. An increase of about 7.7 percent is expected in Czechoslovakia, but the remaining Satellites are expected to experience declines in a narrow range from 2.0 to 2.7 percent (see Table 47).

Table 47

Agricultural Labor Force of the European Satellites
1948-56

Year	All European Satellites	Albania	Bulgaria	Czecho-slovakia	East Germany	Hungary	Poland	Rumania
	Numbers (Thousands)							
1948	23,004	479	2,700	2,200	2,200	2,025	7,400	6,000
1949	22,808	473	2,675	2,160	2,175	1,975	7,375	5,975
1950	22,495	465	2,625	2,080	2,125	1,925	7,350	5,925
1951	22,236	461	2,575	2,025	2,100	1,875	7,325	5,875
1952	22,006	456	2,525	1,975	2,100	1,850	7,275	5,825
1953	21,877	452	2,500	1,950	2,100	1,850	7,250	5,775
1954	21,848	448	2,500	2,000	2,100	1,850	7,225	5,725
1955	21,771	446	2,500	2,050	2,100	1,850	7,150	5,675
1956	21,718	443	2,500	2,100	2,100	1,850	7,100	5,625
	Indexes (1950 = 100)							
1948	102.3	103.0	102.9	105.8	103.5	105.2	100.7	101.3
1949	101.4	101.7	101.9	103.8	102.4	102.6	100.3	100.8
1950	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1951	98.8	99.1	98.1	97.4	98.8	97.4	99.7	99.2
1952	97.3	98.1	96.2	95.0	98.8	96.1	99.0	98.3
1953	96.7	97.2	95.2	93.8	98.8	96.1	98.6	97.5
1954	97.1	96.3	95.2	96.2	98.8	96.1	98.3	96.6
1955	96.8	95.9	95.2	98.6	98.8	96.1	97.3	95.8
1956	96.5	95.3	95.2	101.0	98.8	96.1	96.6	94.9

VII. Foreign Trade.

A. Introduction.

The available data on the foreign trade of the European Satellites have several serious limitations. In the first place, the degree to which covert trade is included or excluded is not precisely known. Insofar as the estimates of trade with the West are based on official Western sources, covert trade is excluded, but it is often impossible to tell whether reports from Satellite sources include or exclude covert trade. Second, trade data from Satellite sources, and this includes all data on trade with the Soviet Bloc, were converted to current dollars at official exchange rates. Even in the prewar period, exchange control and differential exchange rates were so common as to make a simple conversion of trade aggregates rather tenuous. Third, even if the conversion to dollars or any standard unit were assumed valid, comparisons over time are not meaningful without an index of the prices of goods entering into foreign trade. Such an index is not available. Fourth, complete 1953 data were in most cases not available. Data used in each section were for the latest year for which reasonably complete reports were available.

Nevertheless, it is believed that the data on which the following discussion is based yield a rough idea of the direction of trade, and that, for any given period, reasonably valid statements can be made about the composition of trade.

B. Value of Imports and Exports.

The value of the export trade of the Satellites in 1951 was about US $3 billion, with imports being about US $3.2 billion.

This trade was carried on mostly by Czechoslovakia, East Germany, and Poland, which countries accounted for three-fourths of the imports and exports of all the Satellites. A percentage distribution of trade of the European Satellites is shown below in Table 48* and graphically presented in Figures 12 and 13.**

* Table 48 follows on p. 85.
** Following p. 84.

Figure 9

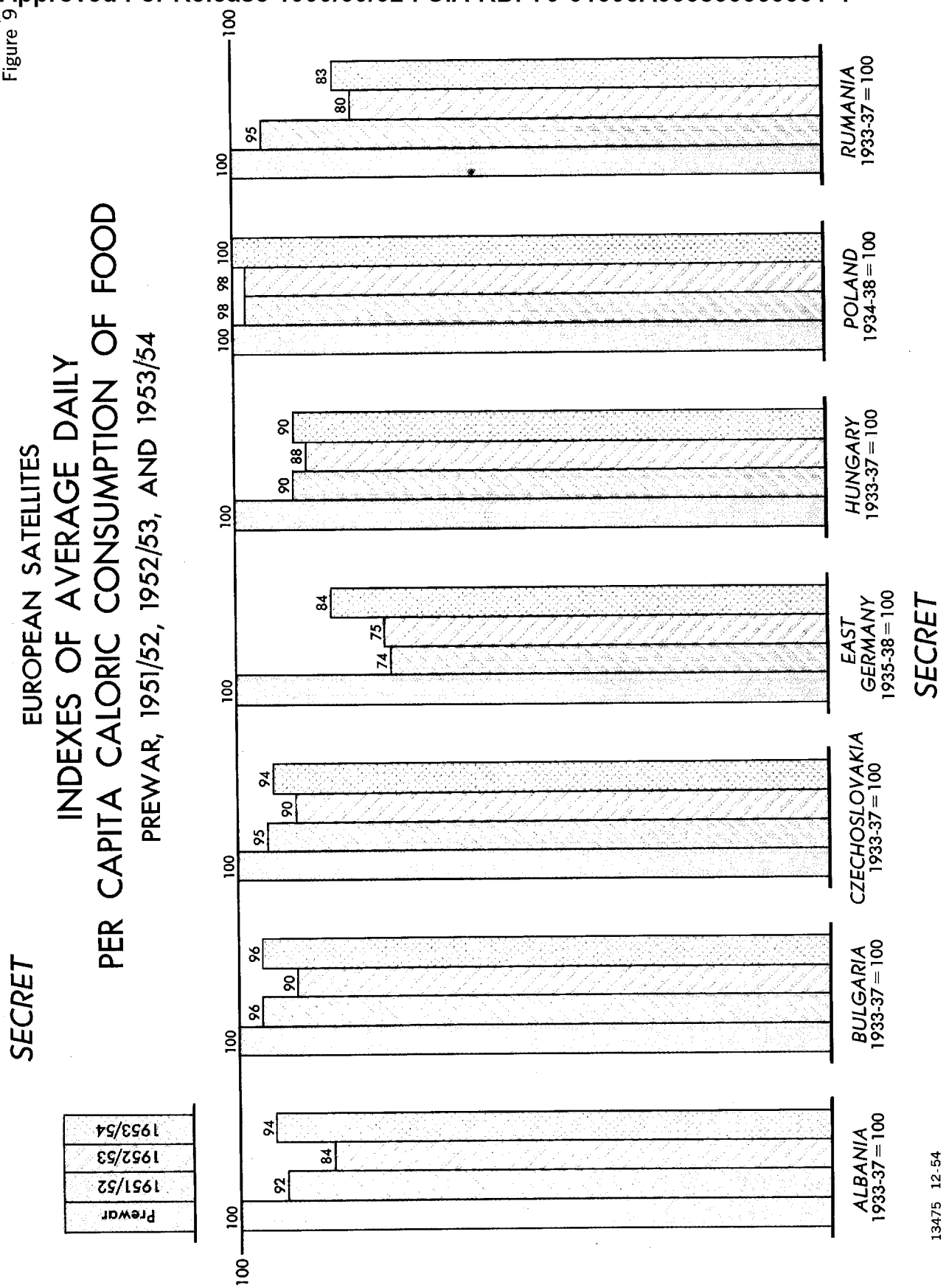

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Figure 10

EUROPEAN SATELLITES

PERCENTAGE DISTRIBUTION OF POPULATION

1953

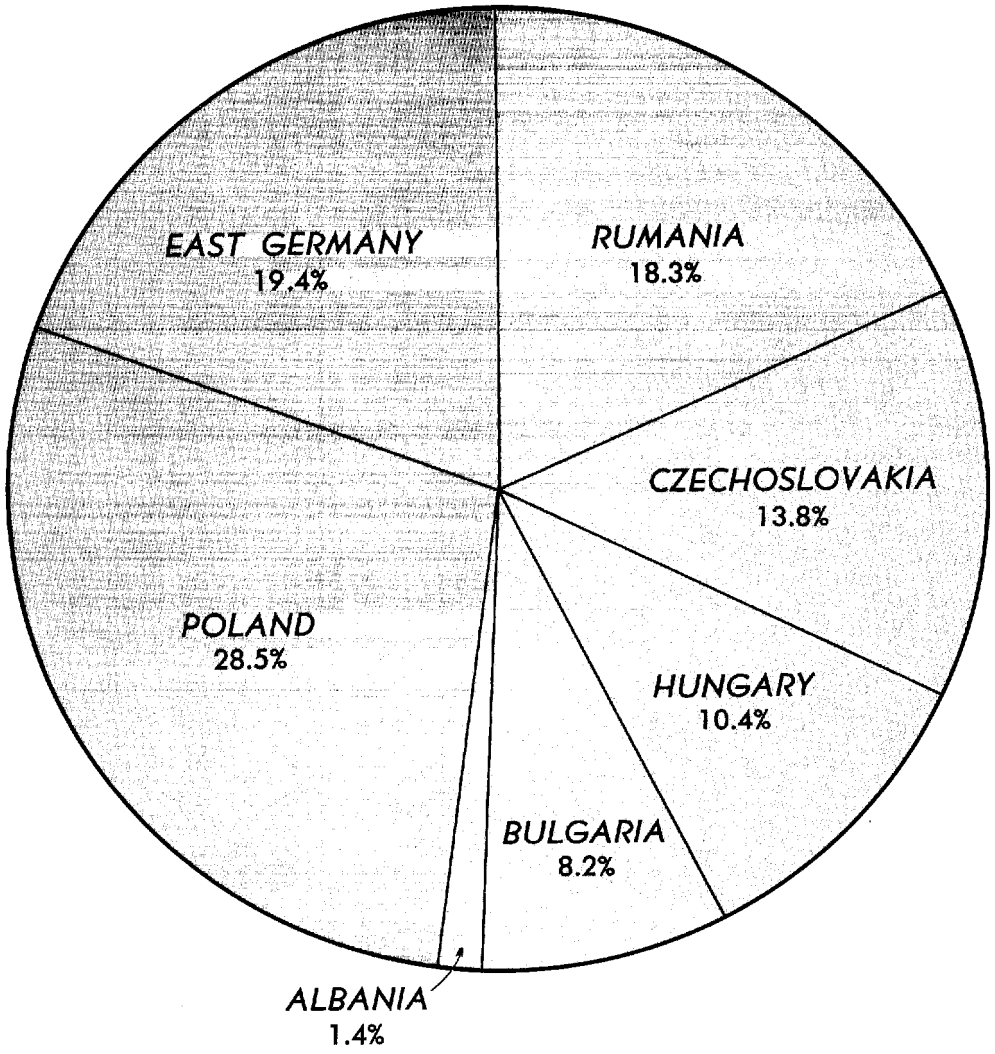

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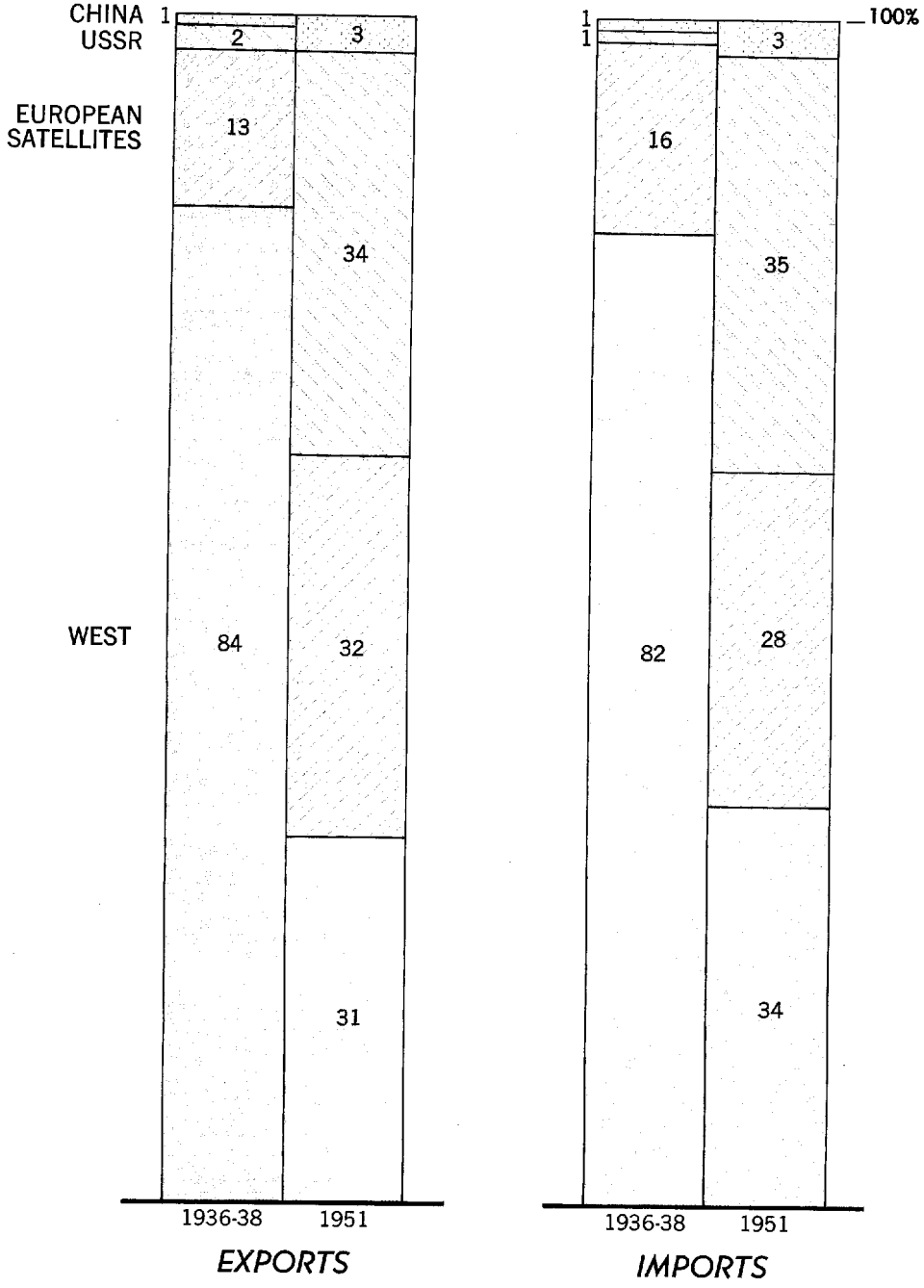
Figure 12

EUROPEAN SATELLITES

GEOGRAPHIC DISTRIBUTION OF TRADE, 1936-38 AVERAGE and 1951

(In Percent)



13289 5-54

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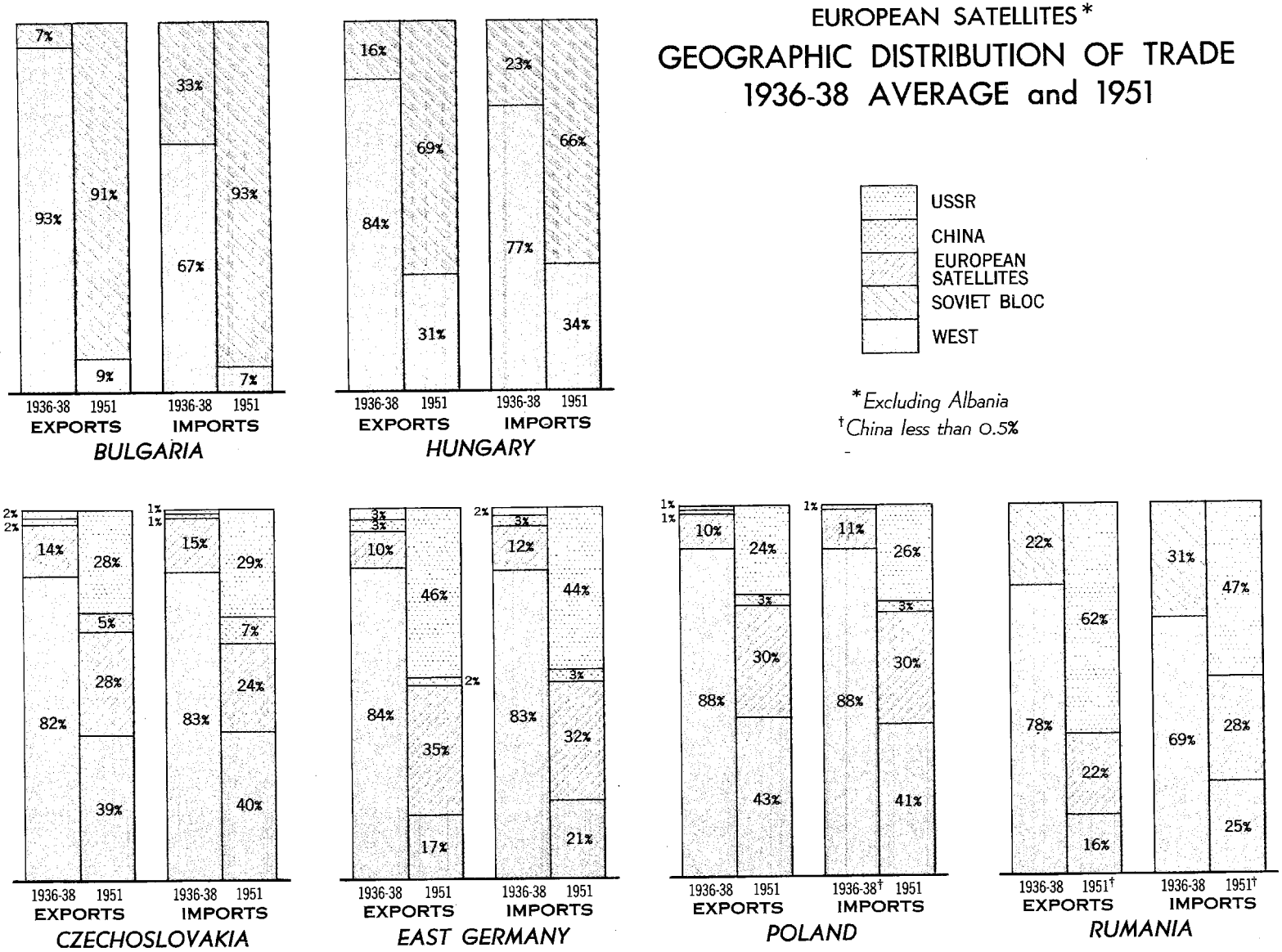
Figure 13

EUROPEAN SATELLITES*

GEOGRAPHIC DISTRIBUTION OF TRADE 1936-38 AVERAGE and 1951



*Excluding Albania
†China less than 0.5%

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Table 48

Distribution of Trade of the European Satellites a/
1951

Country	Percent Imports	Percent Exports
Bulgaria	4	4
Czechoslovakia	31	28
East Germany	15	22
Hungary	12	13
Poland	29	25
Rumania	9	8

a. Based on Appendix A, Table 73.*

C. Area Pattern of Trade.**

1. Geographic Distribution of Total Trade.

The area pattern of the trade of the European Satellites has shifted radically in the postwar period compared to prewar. From a trade point of view, the European Satellites before the war faced to the West; they now face to the East. As Figure 12 clearly shows, before the war the West was the major source of imports and exports. The next area for trade in terms of volume was the European Satellites themselves, with Soviet and Chinese trade being negligible. By 1951 a basic change had taken place, with the result that the trade of the European Satellites was divided into three more or less equal parts, each somewhat less than a third of the total trade, with China making up the balance. Slightly less than a third of the Satellite trade is still with the West; another third is among the European Satellites themselves; and finally, a third is with the USSR, China accounting for 3 percent.

* P. 130, below.

** The discussion under C, 1, and C, 3, is based on data primarily from Soviet Bloc sources, while data in C, 2, are from Western sources. The data from the two sources are not completely comparable.

The degree to which the Eastern orientation of trade has been accomplished is shown for each Satellite in Figure 13*. Bulgaria has done the most complete about face. Czechoslovakia, Poland, and Hungary still carry on 30 to 40 percent of their trade with the West. This, however, is much less than their prewar Western trade. The large decline in trade with the West was accompanied and primarily caused by the redirection of trade to other countries of the Soviet Bloc. Of trade with the other Bloc countries, trade with the USSR increased the most.

2. Geographic Distribution of East-West Trade.

By far the most important area in the Satellites' trade with non-Soviet Bloc countries is Western Europe (see Table 49**). The proportion of total known Satellite imports from Western Europe in 1948 ranged from 44 percent for Rumania to 100 percent for East Germany. By 1953, the proportions were in general still larger, although the proportion of Czechoslovak imports supplied by Western Europe declined from about three-fourths to three-fifths of the total from non-Soviet Bloc countries. In Rumania, the percentage doubled from 1948 to 1953, and a sizable increase also occurred in the case of Poland.

With the exception of Bulgaria, Western Europe's share of Satellite exports in 1948 equaled or exceeded the import percentages and was not much less than three-fourths of total East-West exports in any of the countries. The export percentages for 1953 show declines from 1948 for Czechoslovakia, East Germany, Hungary, and Poland, but the proportions remained relatively high -- generally between 70 and 90 percent of the East-West totals.

The US and Canada were the second most important non-Soviet Bloc trading area for the Satellites in 1948, but this situation had changed considerably by 1953, especially with respect to imports from the two countries. The percentages of total imports from the West obtained from the US and Canada declined from about 10 to 20 percent in 1948 (depending on the Satellite) to practically zero in 1953. Exports to the US and Canada also fell, although not to such an extent.

* Following p. 84, above.
** Table 49 follows on p. 87.

Table 49

Geographic Distribution of Trade of Individual European Satellites a/ with the West b/
1948 and 1953

Percent of Total c/

Country	Imports											
	Bulgaria		Czechoslovakia		East Germany		Hungary		Poland		Rumania	
	1948	1953	1948	1953	1948	1953	1948	1953	1948	1953	1948	1953
Western Europe	85.2	87.4	74.0	58.9	100.0	98.5	82.5	83.5	63.9	75.2	43.6	90.4
Near East and Africa	d/	8.3	5.5	9.5	N.A.	d/	5.2	12.4	2.3	3.7	2.1	2.5
US and Canada	13.4	d/	8.9	d/	N.A.	0.7	9.9	d/	19.7	d/	17.3	d/
Far East	1.2	4.3	4.3	14.8	N.A.	0.5	1.5	1.3	4.3	5.5	2.5	d/
Latin America	d/	N.A.	6.5	7.3	N.A.	N.A.	0.9	2.1	8.3	8.3	34.4	5.7
Australia and New Zealand	d/	N.A.	0.8	9.3	N.A.	d/	d/	0.6	1.5	7.1	d/	1.1
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
	Exports											
	1948	1953	1948	1953	1948	1953	1948	1953	1948	1953	1948	1953
Western Europe	74.4	86.2	74.0	70.8	100.0	90.3	89.8	73.6	96.2	87.5	79.4	84.8
Near East and Africa	11.8	12.6	7.8	10.9	N.A.	d/	7.0	13.6	1.0	3.4	11.4	10.0
US and Canada	12.8	1.2	6.4	2.7	N.A.	4.7	1.9	3.9	d/	5.9	1.1	0.5
Far East	N.A.	d/	3.6	5.9	N.A.	4.2	0.5	7.8	0.9	0.9	d/	d/
Latin America	d/	N.A.	4.7	7.6	N.A.	N.A.	d/	d/	1.4	2.3	7.7	4.7
Australia and New Zealand	1.0	d/	3.5	2.1	N.A.	0.7	d/	0.9	d/	d/	d/	d/
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

a. Excluding Albania.
b. 1953 data are based on incomplete reports and should be considered preliminary and subject to change. See Appendix A, Table 75, p. 132, below, and sources indicated for it.
c. The percentages shown relate to total reported trade. Areas for which data are not available thus have a zero value in the percentage distributions.
d. Less than 0.5 percent of total.

The Near East and Africa are more important to the Satellites as a market for exports than as a source of imports. Ten percent or more of the non-Soviet Bloc exports of Bulgaria, Czechoslovakia, Hungary, and Rumania went to the Near East and Africa area in 1953. The remaining East-West trade of the Satellites is scattered among the Far East, Latin America, Australia, and New Zealand. The most significant changes in the percentages for these areas from 1948 to 1953 are the increase in Czechoslovak imports from the Far East, Australia, and New Zealand, and the sharp reduction in Rumanian imports from Latin America.

3. Geographic Distribution of Trade within the Soviet Bloc.

In 1951, the USSR was each European Satellite's leading partner in intra-Soviet Bloc trade -- in most instances by a wide margin over the other countries in the Bloc (see Table 50*). The proportion of Satellite intra-Bloc imports obtained from the USSR in 1951 ranged from 44 percent in Poland to 69 percent in Bulgaria. The proportions of Satellite intra-Bloc exports delivered to the USSR in 1951 were of about the same extent. (Details concerning the geographical composition of Hungary's intra-Bloc trade in 1951 are not available, but it is very likely comparable to that indicated in Table 50 for the other countries.) This distribution of trade among the Bloc countries represents a major change from the period 1936-38. Trade with the USSR was negligible in the case of Hungary and Poland during this prewar period and did not exceed about one-sixth of imports or exports for any of the other countries.

The second most important trading partners in intra-Soviet Bloc trade in 1951 were Czechoslovakia and Bulgaria, East Germany and Poland, and Poland and Czechoslovakia. In general, Czechoslovakia and East Germany were less important and Poland was more important in the trade of the Satellites in 1951 than in 1936-38. The relative importance of the various European Satellites in the trade of Hungary and Rumania in 1951 cannot be estimated from the available information.

* Table 50 follows on p. 89.

Table 50

Geographic Distribution of Trade of Individual European Satellites a/* with Other Soviet Bloc Countries b/
1936-38 and 1951

Percent of Total

	Imports											
	Bulgaria		Czechoslovakia		East Germany		Hungary		Poland		Rumania	
Exporting Country	1936-38	1951	1936-38	1951	1936-38	1951	1936-38	1951	1936-38	1951	1936-38	1951
USSR	N.A.	68.9	6.9	48.9	13.9	55.1	0.7	N.A.	8.0	44.3	0.5	63.0
China	N.A.	c/	3.6	10.9	17.5	4.3	N.A.	N.A.	2.5	4.2	c/	c/
Bulgaria			4.7	3.7	8.4	2.7	2.3	2.0	10.1	1.8	0.3	1.6
Czechoslovakia	17.9	13.0			18.4	8.6	21.9	N.A.	27.5	15.6	44.8	N.A.
East Germany	33.7	7.0	25.7	10.5			39.1	9.3	41.8	25.0	35.9	5.4
Hungary	6.0	4.1	12.0	N.A.	14.5	3.8			4.7	5.2	14.4	N.A.
Poland	13.6	6.4	16.2	15.2	10.8	23.3	4.6	12.2			4.1	4.9
Rumania	28.8	0.7	30.7	N.A.	16.5	2.2	31.4	N.A.	5.4	2.3		
Residual		-0.1	0.2	10.8				76.5		1.6		25.1
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

* Footnotes for Table 50 follow on p. 90.

Table 50

Geographic Distribution of Trade of Individual European Satellites a/ with Other Soviet Bloc Countries b/
1936-38 and 1951
(Continued)

Percent of Total

Importing Country	Exports											
	Bulgaria		Czechoslovakia		East Germany		Hungary		Poland		Rumania	
	1936-38	1951	1936-38	1951	1936-38	1951	1936-38	1951	1936-38	1951	1936-38	1951
USSR	N.A.	57.2	11.2	45.9	16.7	55.2	0.8	N.A.	11.1	41.2	0.5	73.7
China	N.A.	c/	11.3	7.6	17.1	2.9	0.8	N.A.	4.2	6.0	0.7	c/
Bulgaria			4.1	3.1	7.1	1.7	4.0	1.6	6.9	1.7	3.2	0.5
Czechoslovakia	21.1	18.2			16.2	11.0	21.7	N.A.	35.8	20.0	37.9	N.A.
East Germany	48.0	10.1	21.7	6.3			44.6	5.3	31.7	20.1	31.2	4.4
Hungary	5.3	3.8	11.3	N.A.	13.7	4.3			5.0	7.1	21.3	N.A.
Poland	22.6	8.4	11.0	16.2	13.2	22.4	5.6	10.3			5.2	6.6
Rumania	3.0	3.0	29.1	N.A.	16.0	2.2	22.5	N.A.	5.3	2.5		
Residual		-0.7	0.3	20.9		0.3		82.8		1.4		14.8
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

a. Excluding Albania.
b. Computed from data in Tables 48 and 49, pp. 85 and 87, respectively, above.
c. Negligible.

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Table 50 shows that the proportions of Czechoslovak and Polish imports from China and of Polish exports to China were somewhat higher in 1951 than in 1936-38, although they still made up only a minor part of the 1951 totals. A substantial reduction from 1936-38 to 1951 in the proportion of intra-Soviet Bloc trade carried on with China is indicated for East Germany, which is the only Satellite country with a sizable proportion of trade with China in the prewar period.

D. Commodity Composition of Trade.

1. Composition of Trade with Soviet Bloc Countries.

Quantitative estimates of the commodity composition of Satellite trade with other countries of the Soviet Bloc are not available. Table 51* shows the principal kinds of products exported and imported by each Satellite by major area. Most of the Satellites export agricultural, wood, and mineral products, either raw or in first stages of processing. Except for the USSR, Czechoslovakia is the principal source of manufactures and industrial machinery and equipment. Hungary also produces certain types of intricate equipment and machinery, and East Germany and Poland furnish heavy engineering equipment. The less developed Satellites, like Bulgaria and Albania, depend heavily on the USSR for machinery and equipment.

The chief contributors among the Satellites of essential raw materials and semimanufactured basic materials to the combined Bloc economy may be listed as follows: coal, Poland; coke, Poland and Czechoslovakia; petroleum and petroleum products, Rumania and, to a smaller extent, Hungary; pyrites, Rumania and Bulgaria; bauxite, Hungary; uranium, East Germany and Czechoslovakia; pig iron and iron and steel products, Czechoslovakia, Hungary, and Poland; nitrogen or potash fertilizer, East Germany; chemicals, Poland, Czechoslovakia, Hungary, and Rumania; glass, Czechoslovakia and Poland; lumber and wood products, Poland, East Germany, and Rumania; agricultural products (except livestock products), Bulgaria, Rumania, and Hungary; meat, Poland, Hungary, and Rumania; and tobacco, Bulgaria.**

* Table 51 follows on p. 92.
** Continued on p. 96.

Table 51

Commodity Composition of European Satellite Trade 171/

Major Exports	Major Imports
Bulgaria	
To the USSR	From the USSR
Ores and concentrates, including pyrites; agricultural products, including tobacco; other raw materials	Industrial equipment, agricultural machinery, cotton, petroleum, and chemicals
To Other Soviet Bloc Countries	From Other Soviet Bloc Countries
Agricultural products, including tobacco; minerals; other raw materials	Agricultural machinery, precision instruments, freight cars, other manufactured products
To the West	From the West
Agricultural products, including tobacco; wood and lumber; clays, stones, sand and gravel; essential oils and perfumes	Textile fibers and manufactures, chemicals, machinery, and iron and steel manufactures
Czechoslovakia	
To the USSR	From the USSR
Metallurgical products, machinery and equipment, textiles, leather goods, chemicals, and glass, uranium ore	Grain, cotton, wool, flax, petroleum products, agricultural machinery, manganese ore, pig iron, and iron ore and other minerals
To Other Soviet Bloc Countries	From Other Soviet Bloc Countries
Machinery and industrial equipment, chemicals, coke, machine tools and transport equipment	Pyrites, precision instruments, agricultural machinery, crude oil, petroleum products, hard coal, lignite, agricultural products

Table 51

Commodity Composition of European Satellite Trade 171/
(Continued)

Major Exports	Major Imports
Czechoslovakia (Continued)	
To the West	From the West
Sugar; clay, stone, and other nonmetallic minerals; coal and coke; paper and paper manufactures; iron and steel manufactures; road motor vehicles and parts; cotton yarn, fabrics, and manufactures	Raw cotton, chemicals, iron and steel, crude rubber, foodstuffs, raw wool, and electrical machinery and parts
East Germany	
To the USSR	From the USSR
Machinery, electrical equipment, equipment for the mining and metal industry, synthetic fibers, merchant ships, chemicals, potatoes, sugar, and uranium ore	Grains, other food, nonferrous and ferrous ores and metals, cotton, raw materials for the chemical industry, and agricultural equipment
To Other Soviet Bloc Countries	From Other Soviet Bloc Countries
Industrial machinery (chemical, electrical, textile, and food and beverage machinery); machine tools, chemicals, including nitrogen and potash fertilizers; and wood products	Pyrites, crude oil, hard coal, lignite, and agricultural products
To the West	From the West
Fertilizers; coal and related fuels; sugar, nonelectrical machinery; glass, ceramics, and cement; textile fibers and manufactures.	Foodstuffs (dairy products, meat, fish, fruits, and vegetables), iron and steel manufactures, fertilizers, and coal

Table 51

Commodity Composition of European Satellite Trade 171/
(Continued)

Major Exports	Major Imports
Hungary	
To the USSR	From the USSR
Bauxite and aluminum products, manufactured metal products, textiles, petroleum products, and foodstuffs	Cotton, iron ore, agricultural machinery, coke, lumber, textile machinery, machine tools, bearings, and lumber
To Other Soviet Bloc Countries	From Other Soviet Bloc Countries
Agricultural products, bauxite, drugs and chemical products, iron and steel products, transport equipment, and other industrial products	Pyrites, precision instruments, crude oil, petroleum products, hard coal, and manufactured products
To the West	From the West
Foodstuffs (meat, dairy products, sugar, and preparations), wine, and tobacco; fats and oils; cotton yarn and fabrics; electrical apparatus	Textile fibers and manufactures; iron and steel manufactures; chemicals; machinery
Poland	
To the USSR	From the USSR
Coal, coke, merchant vessels, rolling stock, zinc, metal manufactures, glass, cement, textiles and food products (meat and sugar)	Agricultural machinery, cotton, petroleum products, various ores, bearings, automobiles and trucks, and other machinery and equipment

Table 51

Commodity Composition of European Satellite Trade
(Continued)

Major Exports	Major Imports
Poland (Continued)	
To Other Soviet Bloc Countries	From Other Soviet Bloc Countries
Coal, coke, nonferrous metals, rolling mill products, pig iron, lumber and wood products, chemicals, and food.	Pyrites, precision instruments, crude oil, petroleum products, and chemicals and other manufactures.
To the West	From the West
Coal and coke, meat, and meat products	Machinery, raw wool, cotton, rubber, wood-pulp, and paper base stock.
Rumania	
To the USSR	From the USSR
Petroleum products, food (meat and grain), lumber and wood products, chemicals, textiles, and locomotives	Iron and steel, metal products, industrial equipment, machine tools, transport and agricultural machinery, cotton and bearings.
To Other Soviet Bloc Countries	From Other Soviet Bloc Countries
Petroleum and petroleum products, agricultural products, lumber and wood products, chemicals, pyrites	Precision instruments, agricultural machinery, coal, and manufactured products.
To the West	From the West
Grains, wood, and lumber.	Textile fibers and manufactures, iron and steel manufactures, machinery and chemicals.

The chief Satellite contributors of manufactured products are as follows: machinery and industrial equipment, Czechoslovakia, East Germany, and Hungary; machine tools, Czechoslovakia and East Germany; transport equipment such as locomotives and freight and passenger cars, Czechoslovakia, Hungary, Poland, and Rumania; merchant ships, East Germany; textiles, Czechoslovakia, Hungary, Poland, and Rumania.

The principal contributions of the USSR to the economy of the Satellites include cotton, wool, and flax fibers, iron ore and some other ores and minerals, agricultural machinery, industrial equipment, and automobiles and trucks. Machine tools and bearings, pig iron, and petroleum are also exported to some of the Satellites. Grain and other food products are exported to East Germany and grain to Czechoslovakia, the two more industrialized Satellites.

2. Composition of Trade with the West.*

Imports and exports of the Satellite countries with the West for 1952 are shown in Figures 14 and 15** based on Tables 76 to 81*** in Appendix A. This is the latest year for which complete data are available. Percentages are based on the value of the principal product classes.

E. Foreign Trade Administration and Policies.

1. Administration and Coordination of Trade Policies.

The Ministry of Foreign Trade in each Satellite has the function of planning and supervising foreign trade activities. It conducts trade negotiations with foreign countries and administers the state foreign trade monopolies, which conduct trade in particular commodities and also maintain liaison with the production ministries. 172/ The foreign trade of each Satellite is conducted within the framework of a plan coordinated at the national level by the State Planning Commission. 173/

* Based on data from Western sources which are not comparable with Bloc statistics.
** Following p. 96.
*** Pp. 134, 135, 142, 147, 151, and 153, respectively, below.

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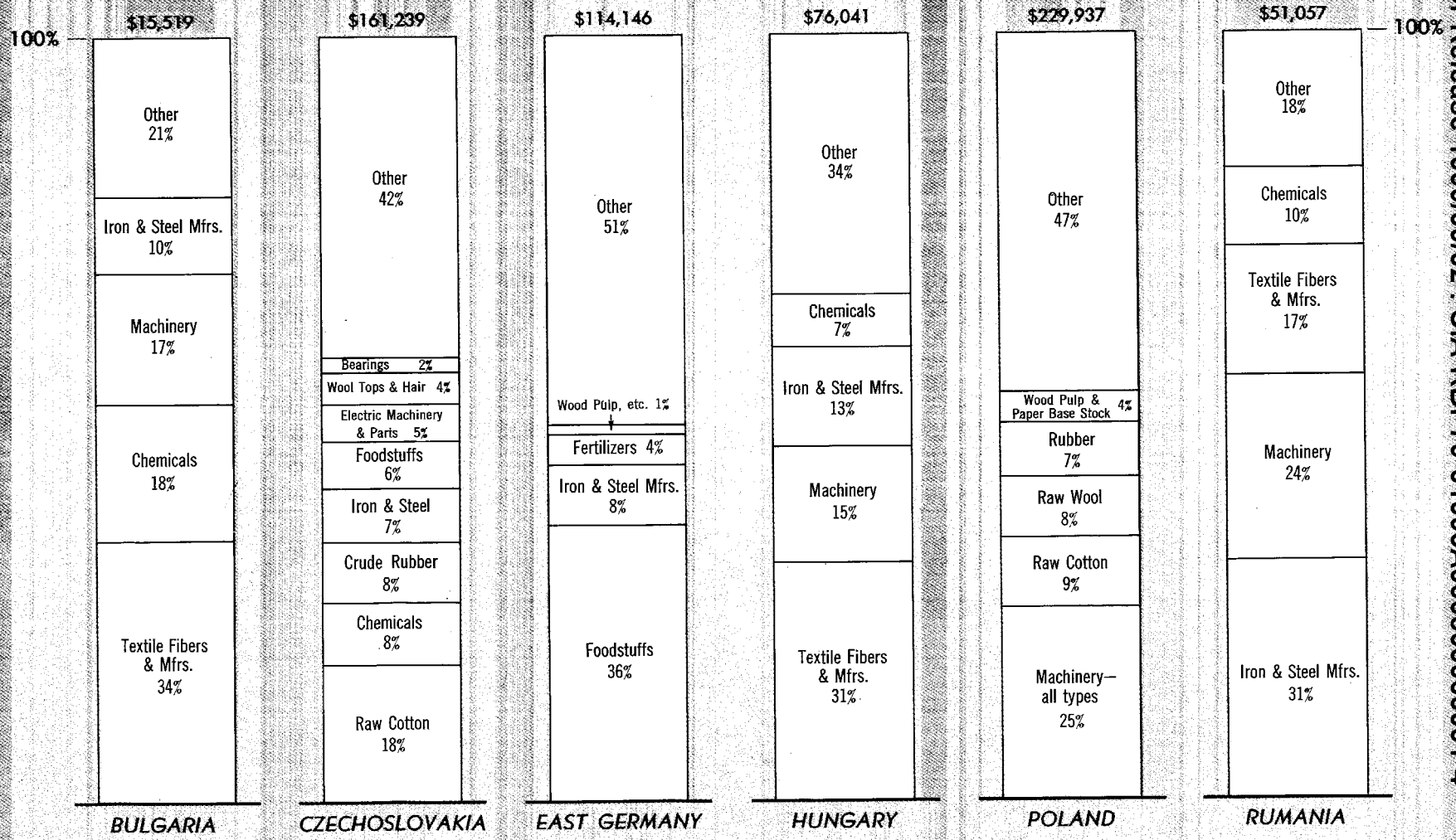
Figure 14

EUROPEAN SATELLITES*
COMMODITY COMPOSITION OF IMPORTS FROM THE WEST
1952

(Total Value In Thousand US Dollars)



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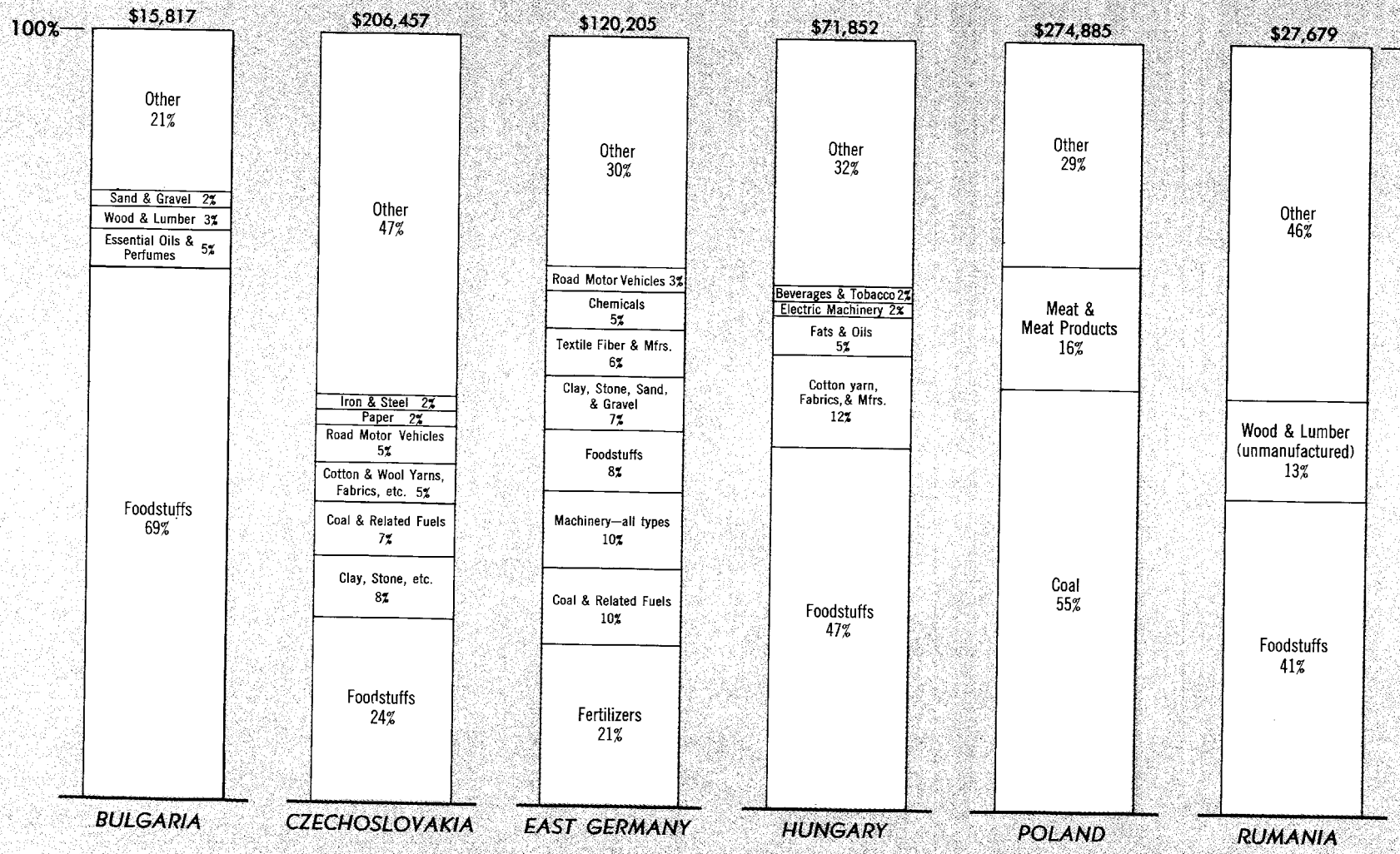
*Excludes Albania

Figure 15

EUROPEAN SATELLITES*
COMMODITY COMPOSITION OF EXPORTS TO THE WEST
1952

(Total Value In Thousand US Dollars)



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*Excludes Albania

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International coordination of Satellite foreign trade plans is effected through three major mechanisms, all of which are subject to some degree of control by the USSR. The first of these is CEMA, discussed in Section I, above. Control is also accomplished through cooperative councils and inter-Satellite enterprises. An example of the former is the Polish-Czechoslovak Council of Economic Collaboration, which includes subcommissions for negotiating bilateral trade agreements between the two countries and a Subcommission for Foreign Trade with Capitalist Countries. 174/ Inter-Satellite agreements to undertake joint projects, including capital goods shipments, have been carried out. Soviet government representatives assigned to the Satellites to carry out specific trade or production-control functions are the third means of effecting over-all coordination. Centralized planning of inter-Satellite trade seems to have been rather general in nature through 1951, but there are indications that central control in this sphere has been strengthened since then. 175/

2. Revision of Trade Policies.

Information on Satellite trade policy toward the West since the "new course" was inaugurated is confined largely to published accounts of recent trade agreements. Agreements negotiated in the latter part of 1953 and in the first 2 months of 1954 indicate that the Satellites are generally following the policy of increased procurement of consumer goods from the West initiated by the USSR in August 1953. It must be stressed, however, that this policy is not equally important among the Satellites because of varying conditions. It is pursued only to the extent that needs require and ability permits. This policy has necessitated less emphasis by the Satellites on the import of strategic raw materials and "hard goods," as was evident, for example, in Czechoslovakia's negotiations with the Netherlands, Austria, and Norway in the first 2 months of 1954. Similarly, the 1954 East German-Greek agreement provided for the export to Greece of such goods as chemical fertilizers, textile machinery, and chemicals, and for the importation of more Greek tobacco and other consumer goods. 176/ The 1954 trade agreement between East and West Germany concluded on 19 December 1953 provided for a considerable increase in imports of West German agricultural products. 177/ A barter agreement between East Germany and Italy which was in the planning state in June 1953 indicated that Italy was to deliver large quantities of foodstuffs in return for fertilizers, chemicals, and finished industrial goods. 178/

Poland has traditionally relied upon the export of agricultural products to the West to obtain industrial goods. Poor harvests during the past 3 years have prevented the export of agricultural products contracted for in trade agreements. This, coupled with the decrease in Western demand for Polish coal, has reduced Poland's exports and limited its ability to import necessary industrial materials. In a trade agreement Poland signed with France in October 1953, there was a reduction from the 1952-53 agreement of 6 billion francs. 179/

In August 1953 Hungary signed a 3-year trade agreement with Argentina after a prolonged period of negotiations. Hungary will export mainly machinery, chemicals and drugs, and electrical goods in exchange for wool and cotton, hides, and other agricultural commodities. 180/ In December 1953 it was reported that Hungary had contracted to buy 100,000 tons of barley and rye from Argentina, probably for use as fodder. 181/ Bulgaria has recently increased its trade with the West, as has Albania, but their predominantly agricultural economies still play small roles in East-West trade.

The general effect of these agreements, if fully carried out, will be a further departure from the prewar pattern of trade between the Satellites and the West. By and large, before the war, Poland, Hungary, and Bulgaria exported food and certain raw materials and imported manufactures. Albania exported mostly raw materials and imported manufactures and some foods. East Germany and Czechoslovakia, being considerably more industrialized, had a more complex trade structure. Both were on balance self-sufficient in food, exporting some foods (sugar, grains and potatoes, and malt and hops) in return for others (meat, dairy products, and fruits and vegetables). The bulk of their imports consisted of raw materials and heavy machinery.

Expansion of Satellite exports of manufactures to the West faces several difficulties. The first is that since the war almost all of their high-quality manufactures have been exported to the USSR. Unless production can be increased substantially, a portion of production will have to be diverted from the USSR. If the prices offered by the USSR are below comparable Western prices, as some evidence indicates, the Satellites would benefit from more favorable terms of trade. But it is a real question whether the USSR will permit a major shift in Satellite trade toward the West. It seems doubtful that the USSR would allow a serious weakening of its trade ties with the Satellites.

The second difficulty faced by the Satellites in increasing exports to the West is that some of the fabricating industries in which the Satellites specialize have been expanded in the West since the war. This is particularly true of the East German textile, electrical goods, and precision and optical instrument industries, which face greater competition from Western firms than ever before. A third factor, the importance of which is exceedingly hard to judge, is the reported deterioration of the quality of Satellite manufactures. For fairly complex products like typewriters, a noticeable difference in quality might exclude the Satellite products from Western markets altogether, whereas in the case of textiles or pots and pans, quality differences might merely be reflected in prices.

In the announcements of the "new course" policies, one of the criticisms made of the previous policy was that each Satellite had aimed at too great a degree of autarky. One of the objectives of the new policy is consequently to expand trade among the Bloc countries. This process is far from new, however; it has been developing since the end of the war and especially since 1948. One recent example of this tendency is East Germany's signing of supplementary trade agreements with the USSR, China, Bulgaria, and Hungary in the fall of 1953.

3. Price Policy in Soviet-Satellite Trade.

Intra-Bloc trade is conducted on the basis of ruble prices, but it is not clear how the prices are determined. It is by no means certain that they correspond to internal prices in the USSR, and they do not bear any consistent relationship to internal Satellite prices. Moreover, for many kinds of manufactured goods, a world market price can hardly be said to exist, and there is evidence that the prices of such goods are set by the Russians to suit their own convenience.

Many instances have been reported of discrepancies between the price that certain Satellites could obtain from non-Soviet sources for their exports and the price received from the USSR and/or the other Satellites. The Satellites have sold goods to the USSR at below average world prices and have paid higher prices for Soviet exports than they would have had to pay for the same goods in the West. In addition, there are reports that the USSR has at times acted as a middleman in inter-Satellite trade; that is, it has sold to one Satellite goods obtained from another and taken a net gain in the transaction.

APPENDIX A

STATISTICAL TABLES

Table 52

Extent of Socialized Sectors of Agriculture, European Satellites a/*
Selected Years, 1949-54

	Arable Land in Socialized Sector (Thousand Hectares b/)	Socialized Sector as Percent of Total Arable Land		
		Collectives c/	State Farms	Total Socialized Sector
Albania				
December 1949	16.7	3.7	1.8	5.5
December 1950	N.A.	N.A.	6.6	N.A.
December 1951	40.0	4.9	8.3	13.2
April 1953	N.A.	9.1	N.A.	N.A.
Bulgaria d/				
December 1949	636.0	11.2	1.7	12.9
December 1950	2,155.0	42.2	1.7	43.9
December 1951	2,392.9	47.3	3.1	50.4
December 1952	2,672.5	51.3	3.3	54.6
December 1953	2,672.5	51.3	3.3	54.6
March 1954	2,672.5	51.3	3.3	54.6
Czechoslovakia				
December 1949	1,425.7	19.0	7.9	26.9
September 1951	1,890.0	27.2	8.5	35.7
December 1952	2,410.0	37.0	8.5	45.5
June 1953	N.A.	44.0	N.A.	N.A.
December 1953	N.A.	44.0	N.A.	N.A.

* Footnotes for Table 52 follow on p. 103.

Table 52

Extent of Socialized Sectors of Agriculture, European Satellites a/
Selected Years, 1949-54
(Continued)

	Arable Land in Socialized Sector (Thousand Hectares b/	Socialized Sector as Percent of Total Arable Land		
		Collectives c/	State Farms	Total Socialized Sector
East Germany				
December 1951	212.0	N.A.	4.1	4.1
December 1952	352.0	2.7	4.1	6.8
June 1953	1,010.2	15.7	4.1	19.8
December 1953	926.2	14.0	4.1	18.1
March 1954	926.2	14.0	4.1	18.1
Hungary				
September 1950	748.2	7.0	6.0	13.0
November 1951	1,415.7	15.6	9.0	24.6
December 1952	2,146.6	24.6	12.7	37.3
March 1953	2,256.0	26.0	13.2	39.2
December 1953	1,910.8	20.0	13.2	33.2
Poland				
December 1949	1,469.0	0.3	8.6	8.9
December 1950	2,153.5	2.2	10.8	13.0
December 1951	2,132.9	3.2	9.7	12.9
December 1952	2,800.0	6.1	10.9	17.0
June 1953	N.A.	8.5	N.A.	N.A.
December 1953	3,900.0	8.5	11.9	20.4
March 1954	4,000.0	9.1	11.9	21.0

Table 52

Extent of Socialized Sectors of Agriculture, European Satellites a/
Selected Years, 1949-54
(Continued)

	Arable Land in Socialized Sector (Thousand Hectares b/	Socialized Sector as Percent of Total Arable Land		
		Collectives c/	State Farms	Total Socialized Sector
Rumania e/				
December 1951	1,175.1	5.3	6.7	12.0
December 1952	2,076.0	9.5	11.7	21.2
June 1953	N.A.	10.0	N.A.	N.A.
December 1953	2,448.1	10.7	14.3	25.0

a. Estimated.
b. One hectare equals 2.471 acres.
c. "Collectives," as used here, is synonomous with agricultural producer's cooperatives. These collectives (or cooperatives) vary from country to country and within countries in the degree of state control of their operations and in the extent to which the members' property (land, equipment, livestock) is pooled.
d. In Bulgaria, agricultural land is used as the basis of comparison instead of arable land. Agricultural land includes arable land, pasture, and land used for fruit and bush crops.
e. "Collectives" includes "agricultural associations," which accounted for 0.6 percent of total arable land in December 1951, 2.2 percent in December 1952, 2.5 percent in June 1953, and 2.7 percent in December 1953.

Table 53

Gross National Product of the European Satellites a/
1938 and 1948-53

Year	European Satellites	Bulgaria	Czecho-slovakia	East Germany	Hungary	Poland	Rumania
			Billion 1951 US $				
1938	44.5	1.0	7.3	16.1	2.5	14.6	3.0
1948	33.2	1.1	7.1	8.5	2.3	11.7	2.5
1949	35.8	1.1	7.6	9.3	2.6	12.7	2.5
1950	38.8	1.2	7.9	10.6	2.8	13.7	2.6
1951	41.1	1.3	8.0	11.9	3.1	13.9	2.9
1952	42.7	1.3	8.2	13.0	3.2	14.2	2.8
1953	44.8	1.4	8.4	14.0	3.4	14.7	2.9
			Percent				
1938	100	2.2	16.4	36.3	5.6	32.8	6.7
1948	100	3.3	21.4	25.6	6.9	35.2	7.5
1949	100	3.1	21.2	26.0	7.3	35.5	7.0
1950	100	3.1	20.4	27.3	7.2	35.3	6.7
1951	100	3.2	19.5	29.0	7.5	33.8	7.0
1952	100	3.0	19.2	30.4	7.5	33.3	6.6
1953	100	3.1	18.7	31.2	7.6	32.9	6.5

a. Not including Albania.

Table 54

Distribution of Gross National Product of the European Satellites by Sector of Origin a/ *
1938 and 1948-53

Percent

	1938	1948	1949	1950	1951	1952	1953
All Satellites							
Industry	35.1	31.2	33.9	36.0	38.4	41.6	43.2
Agriculture	25.1	24.1	23.8	24.4	23.4	20.8	19.6
Transport and Communications	5.2	5.6	5.9	6.0	6.3	6.6	7.0
Construction	4.1	3.5	3.8	4.0	4.2	4.3	4.6
Services	14.7	17.9	16.7	15.5	14.6	14.2	13.6
Trade	15.8	17.7	15.9	14.1	13.1	12.5	12.0
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Bulgaria							
Industry	19.6	18.5	21.7	23.3	26.4	33.8	35.1
Agriculture	50.5	48.8	45.9	44.4	43.3	37.0	26.5
Transport and Communications	2.7	3.9	4.1	4.5	4.6	4.8	4.9
Construction	.3	.7	.9	.8	.9	.9	1.0
Services	14.6	14.7	14.4	14.3	13.1	12.5	12.0
Trade	12.3	13.4	13.0	12.7	11.7	11.0	10.5
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Czechoslovakia							
Industry	30.4	38.8	40.7	40.8	42.4	43.7	44.1
Agriculture	21.8	17.0	17.5	18.3	18.0	16.8	16.3
Transport and Communications	5.7	9.0	7.9	8.1	8.3	8.7	9.2
Construction	5.3	3.3	4.6	4.8	4.8	4.9	4.8
Services	18.8	16.1	15.1	14.7	14.6	14.3	14.2
Trade	18.0	15.8	14.2	13.3	11.9	11.6	11.4
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0

* The footnote for Table 54 follows on p. 107.

Table 54

Distribution of Gross National Product of the European Satellites by Sector of Origin a/
1938 and 1948-53
(Continued)

Percent

	1938	1948	1949	1950	1951	1952	1953
East Germany							
Industry	52.4	34.3	38.6	43.1	47.8	51.8	54.1
Agriculture	12.3	15.5	14.9	15.6	15.0	13.4	11.7
Transport and Communications	6.5	4.9	5.9	6.1	6.0	6.1	6.3
Construction	5.0	5.1	4.8	5.3	5.1	4.9	5.5
Services	9.3	20.3	18.5	16.0	13.9	12.5	11.5
Trade	14.5	19.9	17.3	13.9	12.2	11.3	10.9
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Hungary							
Industry	33.5	35.3	38.7	41.7	43.7	48.3	49.9
Agriculture	30.8	28.4	27.5	25.2	25.5	20.6	19.9
Transport and Communications	3.2	3.0	2.9	3.1	2.9	3.1	3.1
Construction	3.7	3.3	4.3	5.6	5.6	6.4	6.6
Services	17.0	18.2	16.4	15.2	13.9	13.5	12.8
Trade	11.8	11.8	10.2	9.2	8.4	8.1	7.7
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Poland							
Industry	22.3	27.1	28.2	29.5	30.6	32.8	34.0
Agriculture	34.1	29.0	29.4	30.3	27.6	25.3	24.5
Transport and Communications	4.2	5.1	5.5	5.6	6.6	7.2	7.6
Construction	3.2	3.1	3.1	3.0	3.4	3.4	3.7
Services	18.8	17.7	16.7	15.8	15.9	15.9	15.6
Trade	17.4	18.0	17.1	15.8	15.9	15.4	14.6
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Table 54

Distribution of Gross National Product of the European Satellites by Sector of Origin a/
1938 and 1948-53
(Continued)

Percent

	1938	1948	1949	1950	1951	1952	1953
Rumania							
Industry	24.7	22.4	24.5	26.4	27.3	31.4	32.3
Agriculture	41.1	40.8	38.3	37.5	38.7	33.2	32.5
Transport and Communications	4.3	3.5	4.5	5.0	5.1	5.8	6.2
Construction	2.3	1.5	1.6	1.9	2.2	2.9	3.2
Services	12.7	15.4	15.5	15.0	13.8	14.3	14.1
Trade	14.9	16.4	15.6	14.2	12.9	12.4	11.7
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0

a. Not including Albania.

Table 55

Indexes of Industry Subsectors of the European Satellites
1938 and 1948-53

1950 = 100

Country	1938	1948	1949	1950	1951	1952	1953
	Energy						
Bulgaria	34.4	72.9	89.4	100.0	117.8	145.1	157.9
Czechoslovakia	63.5	88.4	93.5	100.0	105.2	116.7	123.3
East Germany	94.4	74.7	83.7	100.0	112.3	120.2	128.6
Hungary	66.4	76.9	95.0	100.0	114.4	139.4	158.8
Poland	83.4	88.4	93.1	100.0	108.3	116.0	124.9
Rumania	92.9	83.9	90.9	100.0	124.5	136.5	171.8

Table 55

Indexes of Industry Subsectors of the European Satellites
1938 and 1948-53
(Continued)

1950 = 100

Country	1938	1948	1949	1950	1951	1952	1953
	Metals						
Bulgaria	Negligible	Negligible	89.0	100.0	121.0	233.0	417.5
Czechoslovakia	67.6	96.5	96.6	100.0	107.6	116.1	121.0
East Germany	239.6	43.2	65.6	100.0	116.8	183.9	224.2
Hungary	58.2	95.4	93.8	100.0	108.7	126.2	135.3
Poland	62.2	73.5	84.3	100.0	103.6	117.9	125.1
Rumania	100.1	83.8	94.4	100.0	107.5	123.5	136.4
	Machinery and Equipment						
Bulgaria	0	41.9	64.1	100.0	252.7	347.2	370.2
Czechoslovakia	43.9	81.2	93.0	100.0	112.1	120.5	129.5
East Germany	279.4	51.6	73.9	100.0	141.5	183.5	211.2
Hungary	45.0	46.6	78.4	100.0	138.3	163.5	177.7
Poland	30.1	68.3	80.3	100.0	107.3	130.6	144.4
Rumania	0	62.5	76.6	100.0	123.5	146.7	158.5
	Chemicals						
Bulgaria	0	48	72	100	123	693	987
Czechoslovakia	74	75	88	100	111	120	126
East Germany	96	63	81	100	121	137	149
Hungary	97	59	70	100	95	131	171
Poland	52	78	87	100	109	118	132
Rumania	79	79	91	100	108	170	181
	Building Materials						
Albania	39	69	103	100	100	111	127
Bulgaria	45	95	117	100	115	118	136
Czechoslovakia	80	9	90	100	112	121	130
East Germany	183	48	73	100	113	123	161

Table 55

Indexes of Industry Subsectors of the European Satellites
1938 and 1948-53
(Continued)

1950 = 100

Country	1938	1948	1949	1950	1951	1952	1953
	Building Materials (Continued)						
Hungary	62	32	57	100	116	138	153
Poland	118	69	89	100	118	131	150
Rumania	69	70	81	100	132	177	203
	Forest Products						
Albania	55	75	85	100	102	98	94
Bulgaria	49	74	75	100	99	115	125
Czechoslovakia	109	87	97	100	98	97	93
East Germany	104	126	95	100	100	97	98
Hungary	119	104	100	100	100	96	95
Poland	194	88	94	100	104	104	101
Rumania	150	104	110	100	102	99	101
	Processed Foods						
Albania	73	98	98	100	122	125	123
Bulgaria	111	96	95	100	102	103	99
Czechoslovakia	99	77	83	100	94	108	81
East Germany	124	77	77	100	108	117	105
Hungary	118	81	94	100	106	105	101
Poland	113	70	76	100	98	85	75
Rumania	116	93	96	100	102	107	98
	Light and Textile						
Albania	0	0	91	100	118	164	202
Bulgaria	113	85	99	100	113	120	131
Czechoslovakia	85	105	112	100	101	99	99
East Germany	173	62	88	100	128	137	152
Hungary	78	76	89	100	102	106	108
Poland	85	79	94	100	104	104	103
Rumania	119	73	82	100	114	126	136

Table 56

Production of Selected Energy Products in the European Satellites in 1953 and Percentage Increases in Production 1953 over 1952

	All European Satellites	Albania	Bulgaria	Czecho-slovakia	East Germany	Hungary	Poland	Rumania
Electric Power								
Billion KWH	62.68	0.06	1.55	12.70	25.60	5.01	14.35	3.41
Percent Increase over 1952	11	43	15	10	9	19	13	18
Lignite and Brown Coal								
Million Metric Tons	245.9	0.1	7.5	34.3	173.1	19.2	6.0	5.7
Percent Increase over 1952	3	35	4	3	0	14	26	51
Hard Coal								
Million Metric Tons	115.3	0	0.5	20.3	3.1	2.1	89.0	0.3
Percent Increase over 1952	5	a/	27	0.2	9	9	5	14
Synthetic Petroleum								
Thousand Metric Tons	1,837	0	0	400	1,373	0	64	0
Percent Increase over 1952	9	a/	a/	13	7	a/	23	a/
Crude Oil								
Thousand Metric Tons	9,195	270	35	75	0	625	190	8,000
Percent Increase over 1952	11	8	75	25	a/ a/	4 4	2 2	11 11

a. No production.

Table 57

Comparison of 1953 Production of Selected Energy Products in the European Satellites and the USSR

Commodity	Units	Production		European Satellites as Percent of USSR
		All European Satellites	USSR	
Electric Power	Billion KWH	63	133	47
Lignite and Brown Coal	Thousand Metric Tons	245,982	92,000	267
Hard Coal	Thousand Metric Tons	115,296	228,000	51
Synthetic Petroleum	Thousand Metric Tons	1,837	300	612
Crude Oil	Thousand Metric Tons	9,195	48,000	19

Table 58

Production of Metals in the European Satellites in 1953 and Percentage Increases in Production 1953 over 1952

Commodity	All European Satellites	Albania	Bulgaria	Czecho-slovakia	East Germany	Hungary	Poland	Rumania
Finished Steel								
Thousand Metric Tons	6,699	0	18	2,300	1,556	625	1,950	250
Percent Increase over 1952	5.6	a/*	b/	2.2	10.9	5.0	4.3	11.1
Pig Iron								
Thousand Metric Tons	6,200	0	0	2,300	1,100	500	2,000	300
Percent Increase Over 1952	17	a/	a/	9.5	68.5	5.2	11.1	9.1

* Footnotes for Table 58 follow on p. 112.

Table 58

Production of Metals in the European Satellites in 1953 and Percentage Increases in Production 1953 over 1952 (Continued)

Commodity	All European Satellites	Albania	Bulgaria	Czecho-slovakia	East Germany	Hungary	Poland	Rumania
Primary Copper								
Metric Tons	32,600	1,000	2,000	Negligible	13,600	Negligible	15,000	1,000
Percent Increase over 1952	39	0	33	N.A.	34	N.A.	50	25
Aluminum Ingot								
Metric Tons	57,500	0	0	3,000	16,500	30,000	0	3,000
Percent Increase over 1952	55	a/	a/	b/	134	15	a/	N.A.
Refined Lead								
Metric Tons	90,200	0	27,500	9,200	15,500	Negligible	30,000	8,000
Percent Increase over 1952	7	a/	0	6	-11	N.A.	20	33

a. No production.
b. No 1952 production.

Table 59

Comparison of 1953 Production of Selected Metals in the European Satellites and the USSR

Commodity	Units	Production: All European Satellites	Production: USSR	European Satellites as Percent of USSR
Finished Steel	Thousand Metric Tons	6,699	27,600	24
Pig Iron	Thousand Metric Tons	6,200	27,400	23
Primary Copper	Metric Tons	32,600	310,000	11
Aluminum Ingot	Metric Tons	57,500	310,000	19
Refined Lead	Metric Tons	90,200	168,000	54
Antimony	Metric Tons	2,450	5,000	49
Mercury	Metric Tons	52	1,035	5
Tin	Metric Tons	590	11,000	5

Table 60

Production of Selected Machinery and Equipment Products in the European Satellites in 1953 and Percentage Increases in Production 1953 over 1952

Commodity	All European Satellites	Albania	Bulgaria	Czecho-slovakia	East Germany	Hungary	Poland	Rumania
Machine Tools								
Units	46,000	a/*	a/	16,500	20,200	2,900	6,300	400
Percent Increase over 1952	10	a/	a/	10	13	21	-3	33
Metalworking Machinery								
Units	6,690	a/	a/	2,900	2,850	290	650	a/
Percent Increase over 1952	10	a/	a/	9	14	21	-7	a/

* Footnotes for Table 60 follow on p. 115.

Table 60

Production of Selected Machinery and Equipment Products in the European Satellites in 1953 and Percentage Increases in Production 1953 over 1952 (Continued)

Commodity	All European Satellites	Albania	Bulgaria	Czecho-slovakia	East Germany	Hungary	Poland	Rumania
Trucks								
Units	40,100	0	0	12,000	11,100	6,000	11,000	0
Percent Increase over 1952	33	a/	a/	20	52	0	59	a/
Tractors								
Thousands	36.2	0.0	0.0	13.0	8.1	4.4	6.7	4.0
Percent Increase over 1952	6	a/	a/	4	13	5	16	-11
Passenger Cars								
Units	37,600	0	0	20,000	15,100	0	2,500	0
Percent Increase over 1952	-2	a/	a/	0	-8	a/	67	a/
Bearings								
Millions	20.4	0	0	10.1	8.7	0.0	1.1	0.5
Percent Increase over 1952	25	a/	a/	22	27	a/	38	25
Steam Locomotives								
Units	1,135	0	0	480	0	220	300	135
Percent Increase over 1952	5	a/	a/	9	a/	5	0	4
Freight Cars								
Two-Axle Units	59,700	0	1,300	18,000	11,400	8,200	16,400	4,400
Percent Increase over 1952	8	a/	b/	0	10	26	0	10

Table 60

Production of Selected Machinery and Equipment Products in the European Satellites in 1953 and Percentage Increases in Production 1953 over 1952 (Continued)

Commodity	All European Satellites	Albania	Bulgaria	Czecho-slovakia	East Germany	Hungary	Poland	Rumania
Turbines								
Million Rubles (1950 value)	421	a/	a/	270	100	25	21	5
Percent Increase over 1952	6	a/	a/	0	10	19	62	25
Electric Motors								
Million Rubles (1950 value)	2,405	45	85	500	1,000	500	190	85
Percent Increase over 1952	11	13	9	11	10	11	12	9
Radio and Television Equipment								
Million Rubles (1950 value)	400	0	25	70	260	30	5	10
Percent Increase over 1952	34	a/	25	27	37	20	67	67
Telephone and Telegraph Equipment								
Million Rubles (1950 value)	232	0	0	33	37	62	0	0
Percent Increase over 1952	6	a/	a/	10	6	3	a/	a/

a. No or negligible production.
b. No 1952 production.

Table 61

Comparison of 1953 Production of Selected Machinery and Equipment in the European Satellites and in the USSR

Commodity	Units	Production		European Satellites as Percent of USSR
		All European Satellites	USSR	
Bearings	Millions	20	135	15
Tractors	Thousands	36	103	35
Trucks	Units	40,100	346,000	12
Passenger Cars	Units	37,600	73,000	52
Steam Locomotives	Units	1,135	2,310	49
Freight Cars	2-Axle Units	59,700	140,400	43
Machine Tools	Units	46,300 a/	88,000	53 a/
Metalworking Machinery	Units	6,690	10,500	64
Electric Motors	Million 1950 rubles	2,405	2,740	88
Telephone and Telegraph Equipment	Million 1950 rubles	132	4,186	3

a. Bulgaria not included. Production data not available. However, output is relatively unimportant.

Table 62

Production of Selected Chemicals in the European Satellites in 1953 and Percentage Increases in Production 1953 over 1952

Chemicals	All European Satellites	Albania	Bulgaria	Czecho-slovakia	East Germany	Hungary	Poland	Rumania
Sulfuric Acid								
Thousand Metric Tons	1,211.0	0	10.5	256.0	400.0	114.0	376.0	54.2
Percent Increase over 1952	12	a/*	30	0	11	81	9	6

* Footnote for Table 62 follows on p. 119.

Table 62

Production of Selected Chemicals in the European Satellites in 1953
and Percentage Increases in Production
1953 over 1952
(Continued)

Chemicals	All European Satellites	Albania	Bulgaria	Czecho-slovakia	East Germany	Hungary	Poland	Rumania
Caustic Soda								
Thousand Metric Tons	403.0	0	0	43	228	12	80.5	40
Percent Increase over 1952	9	a/	a/	0	9	20	15	1
Chlorine								
Thousand Metric Tons	294	0	0	36	219	9	22	8
Percent Increase over 1952	9	a/	a/	0	9	29	10	33
Nitric Acid								
Thousand Metric Tons	433.2	0	38	46.5	254	10	55.1	29.6
Percent Increase over 1952	6	a/	46	3	3	0	4	7
Synthetic Ammonia								
Thousand Metric Tons	461.6	0	22.7	54.4	285	21	68	10.5
Percent Increase over 1952	7	a/	49	41	2	0	4	0
Calcium Carbide								
Thousand Metric Tons	1,015.5	0	4.0	74.5	715	20.5	195	6.5
Percent Increase over 1952	8	a/	33	15	4	141	18	5
Refined Benzol								
Thousand Metric Tons	142.8	0	0.160	60.5	10.9	3.2	67	1.1
Percent Increase over 1952	6	a/	7	10	6	19	2	69

Table 62

Production of Selected Chemicals in the European Satellites in 1953
and Percentage Increases in Production
1953 over 1952
(Continued)

Chemicals	All European Satellites	Albania	Bulgaria	Czecho-slovakia	East Germany	Hungary	Poland	Rumania
Toluol								
Thousand Metric Tons	22.4	0	Negligible	9.4	3.8	0.460	8.5	0.270
Percent Increase over 1952	9	a/	a/	4	10	12	13	80
Refined Phenol								
Thousand Metric Tons	21.2	0	Negligible	3.7	11.4	0.100	5.9	0.050
Percent Increase over 1952	43	a/	a/	6	23	a/	195	a/
Cresols								
Thousand Metric Tons	20.8	0	Negligible	1.9	15.6	0.800	2.5	Negligible
Percent Increase over 1952	23	a/	a/	6	23	540	9	a/
Xylol								
Thousand Metric Tons	4.9	0	0	1.9	0.880	0.090	2.0	0.050
Percent Increase over 1952	6	a/	a/	4	4	13	5	a/
Naphthalene								
Thousand Metric Tons	45.2	0	0.050	20.1	5.6	1.2	18.0	0.260
Percent Increase over 1952	9	a/	a/	12	19	10	3	73
Rubber Tires								
Thousands	3,500	0	90	1,860	880	175	360	135
Percent Increase over 1952	13	a/	13	12	14	9	16	8

Table 62

Production of Selected Chemicals in the European Satellites in 1953 and Percentage Increases in Production 1953 over 1952 (Continued)

Chemicals	All European Satellites	Albania	Bulgaria	Czecho-slovakia	East Germany	Hungary	Poland	Rumania
Synthetic Rubber								
Thousand Metric Tons	67.7	0	0	1.7	62.0	0	4.0	0
Percent Increase over 1952	17	a/	a/	13	16	a/	21	a/
Reclaimed Rubber								
Thousand Metric Tons	N.A.	0	0.200	9.0	5.0	N.A.	5.2	N.A.
Percent Increase over 1952	15	a/	33	13	19	N.A.	16	N.A.

a. No or negligible production.

Table 63

Comparison of 1953 Production of Selected Chemicals in the European Satellites and in the USSR

Chemicals	Units	Production		European Satellites as Percent of USSR
		European Satellites	USSR	
Sulfuric Acid	Metric Tons	1,210,700	2,750,000	44
Caustic Soda	Metric Tons	403,500	387,000	104
Chlorine	Metric Tons	294,000	295,000	100
Nitric Acid	Metric Tons	433,200	1,195,000	36
Synthetic Ammonia	Metric Tons	461,600	638,000	72

Table 63

Comparison of 1953 Production of Selected Chemicals in the European Satellites and in the USSR (Continued)

Chemicals	Units	Production		European Satellites as Percent of USSR
		European Satellites	USSR	
Calcium Carbide	Metric Tons	1,015,500	340,000	299
Refined Benzol	Metric Tons	142,800	271,000	53
Refined Phenol	Metric Tons	21,150	12,500	169
Rubber Tires	Units	3,500,000	10,500,000	32
Synthetic Rubber	Metric Tons	67,700	206,000	33
Reclaimed Rubber	Metric Tons	19,400 a/	61,000	32 a/

a. Does not include Hungary. Production data not available.

Table 64

Production of Selected Building Materials in the European Satellites in 1953 and Percentage Increases in Production, 1953 over 1952 a/

Commodity	All European Satellites	Albania	Bulgaria	Czecho-slovakia	East Germany	Hungary	Poland	Rumania
Bricks								
Millions	9,757 a/	N.A.	560	1,845	2,462	1,240	2,800	850
Percent Increase over 1952	17	N.A.	12	7	18	17	20	26
Cement								
Thousands	11,148	46	650	2,620	2,377	815	3,340	1,300
Percent Increase over 1952	21	15	18	32	47	2	11	8

a. Does not include Albania, whose output is a negligible part of the total.

Table 65

Production of Selected Forest Products in the European Satellites in 1953 and Percentage Increases in Production, 1953 over 1952

Commodity	All European Satellites	Albania	Bulgaria	Czecho-slovakia	East Germany	Hungary	Poland	Rumania
Fuelwood								
Million Cubic Meters	27.40	1.60	7.50	2.75	3.25	2.05	2.75	7.50
Percent Increase over 1952	-1	-6	9	-8	-7	-2	-8	0
Industrial Wood								
Million Cubic Meters	40.30	0.80	3.00	8.25	8.25	0.95	10.75	8.30
Percent Increase over 1952	6	33	11	-3	3	6	8	15

Table 66

Production of Selected Processed Foods in the European Satellites in 1953 and Percentage Increases in Production, 1953 over 1952

Commodity	All European Satellites	Albania	Bulgaria	Czecho-slovakia	East Germany	Hungary	Poland	Rumania
Flour								
Thousand Metric Tons	11,682	60	1,309	1,715	1,949	1,459	3,775	1,415
Percent Increase over 1952	-0.2	78	2	9	-0.4	-4	-1	-2
Animal Fats								
Thousand Metric Tons	554	1	21	92	151	73	182	32
Percent Increase over 1952	-23	-50	-16	-24	-23	-9	-27	-24

Table 66

Production of Selected Processed Foods in the European Satellites in 1953 and Percentage Increases in Production, 1953 over 1952 (Continued)

Commodity	All European Satellites	Albania	Bulgaria	Czecho-slovakia	East Germany	Hungary	Poland	Rumania
Vegetable Oils								
Thousand Metric Tons	319.8	5.0	37.8	12.8	56.4	73.0	68.1	66.7
Percent Increase over 1952	36	92	31	2	8	86	35	37
Raw Sugar								
Thousand Metric Tons	2,716	6	65	700	700	256	850	130
Percent Increase over 1952	41	25	62	61	37	35	29	58
Meat								
Thousand Metric Tons	1,714	9	101	311	464	185	461	183
Percent Increase over 1952	-30	0	-21	-42	-25	-25	-30	-24

Table 67

Comparison of 1953 Production of Selected Processed Foods in the European Satellites and in the USSR

Commodity	Units	Production		European Satellites as Percent of USSR
		All European Satellites	USSR	
Flour	Thousand Metric Tons	11,642	41,880	28
Animal Fats	Thousand Metric Tons	554	858	65
Vegetable Oil	Thousand Metric Tons	320	950	34
Raw Sugar	Thousand Metric Tons	2,716	3,000	91
Total Meat	Thousand Metric Tons	1,714	3,460	50

Table 68

Production of Selected Light and Textile Industry Products in the European Satellites in 1953 and Percentage Increases in Production, 1953 over 1952

Commodity	All European Satellites	Albania	Bulgaria	Czecho-slovakia	East Germany	Hungary	Poland	Rumania
Boots and Shoes								
Million Pairs	110.4	0.4	2.4	54.0	26.0	7.5	12.8	7.3
Percent Increase over 1952	4	33	9	0	8	6	7	12
Synthetic Production (Rayon)								
Thousand Metric Tons	154.4	0	0	30.0	107.5	1.9	13.5	1.5
Percent Increase over 1952	8			0	10	12	12	0
Wool Yarn								
Thousand Metric Tons	92.8	0	5.0	27.0	8.0	11.0	36.0	5.8
Percent Increase over 1952	-3		11	0	7	0	-10	12
Cotton Yarn								
Thousand Metric Tons	271.8	1.0	16.0	75.0	43.0	27.7	92.1	17.0
Percent Increase over 1952	4	43	7	0	27	0	0	3

Table 69

Comparison of Production of Selected Light and Textile Industries in the European Satellites and the USSR 1953

Commodity	Units	Production		European Satellites as Percent of USSR
		All European Satellites	USSR	
Boots and Shoes	Million Pairs	110	395	28
Synthetic Products (Rayon)	Thousand Metric Tons	154	45	342
Wool Yarn	Thousand Metric Tons	93	125	74
Cotton Yarn	Thousand Metric Tons	272	691	39

Table 70

Indexes of Agricultural Production of the European Satellites 1938 and 1948-53

1950 = 100

Country	1938 a/	1948	1949	1950	1951	1952	1953
Albania	92	99	98	100	107	98	101
Bulgaria	99	104	101	100	106	96	100
Czechoslovakia	110	83	92	100	100	96	95
East Germany	120	80	84	100	108	106	99
Hungary	108	93	101	100	112	94	95
Poland	119	80	89	100	92	86	86
Rumania	126	104	98	100	114	95	96

a. 1935-39 average.

Table 71

Livestock Numbers and Production of Selected Agricultural Crops in the European Satellites in 1953 and Percentage Changes in Production a/ * 1953 over 1952 and 1938

	All European Satellites	Albania	Bulgaria	Czecho-slovakia	East Germany	Hungary	Poland	Rumania
Cattle								
Numbers (Thousands)	21,080	380	1,700	4,000	3,740	1,750	6,180	3,330
Percent Increase over 1952	-5.3	-8.4	-5.6	-5.1	-0.3	-7.9	-4.9	-10.0
Percent Increase over 1938	-18	-6	15	-15	5	-8	-38	-10
Sheep and Goats								
Numbers (Thousands)	31,000	2,540	8,900	1,480	2,530	950	3,100	11,500
Percent Increase over 1952	-4.2	-5.1	-5.3	-4.8	0.0	-5.0	0.0	-4.8
Percent Increase over 1938	2	1	-7	-3	3	-48	14	13
Hogs								
Numbers (Thousands)	21,292	20	800	3,712	5,250	3,040	6,820	1,650
Percent Increase over 1952	-17.8	-20.0	-15.8	-20.0	-20.0	-20.0	-10.0	-30.1
Percent Increase over 1938	-15	-5	-5	14	-9	-1	-30	-32
Horses								
Numbers (Thousands)	6,382	52	525	620	765	620	2,900	900
Percent Increase over 1952	0.03	0.0	0.0	-1.6	0.0	0.0	1.3	-2.7
Percent Increase over 1938	-16	-19	1	-10	-6	-25	-8	-40

* Footnotes for Table 71 follow on p. 128.

Table 71

Livestock Numbers and Production of Selected Agricultural Crops in the European Satellites in 1953 and Percentage Changes in Production a/ 1953 over 1952 and 1938 (Continued)

	All European Satellites	Albania	Bulgaria	Czecho-slovakia	East Germany	Hungary	Poland	Rumania
Breadgrains								
Output (Million Metric Tons)	19.25	.10	2.16	2.50	2.59	2.64	6.94	2.32
Percent Increase over 1952	-3.4	42.9	8.5	-2.0	-21.0	1.5	-5.7	12.1
Percent Increase over 1938	-22	150	0.0	-20	-30	-18	-25	-30
Coarse Grains								
Output (Million Metric Tons)	15.66	.14	1.33	2.36	2.18	2.67	3.56	3.42
Percent Increase over 1952	10.1	27.3	41.5	4.9	-0.5	24.8	-8.7	27.1
Percent Increase over 1938	-26	0.0	-14	-11	-21	-19	-31	-39
Rice (Rough)								
Output (Thousand Metric Tons)	109.9	4.0	24.0	0	0	55.9	0	26.0
Percent Increase over 1952	25.4	33.3	4.3			41.2		18.2
Percent Increase over 1938	378	300	14			b/		2,500.
Potatoes								
Output (Thousand Metric Tons)	46,194.0	4.0	90.0	6,500.0	10,400.0	1,400.0	27,000.0	800.0
Percent Increase over 1952	15.4	60.0	45.9	-44.3	2.4	42.6	14.1	22.6
Percent Increase Over 1938	-29	82	-20	-35	-24	-35	-29	-39

Table 71

Livestock Numbers and Production of Selected Agricultural Crops in the European Satellites in 1953 and Percentage Changes in Production a/ 1953 over 1952 and 1938 (Continued)

	All European Satellites	Albania	Bulgaria	Czecho-slovakia	East Germany	Hungary	Poland	Rumania
Cotton (Ginned)								
Output (Thousand Metric Tons)	27.7	1.1	14.0	0	0	3.0	0	9.6
Percent Increase over 1952	62.9	57.1	40.0			275.0		74.5
Percent Increase over 1938	260	b/	100			b/		1,271
Wool (Grease)								
Output (Thousand Metric Tons)	53.03	2.50	13.50	1.18	4.12	4.46	3.70	23.57
Percent Increase over 1952	5.2	4.2	0.7	0.9	11.7	20.9	15.6	3.1
Percent Increase over 1938	9	25	2	195	-22	-28	19	27
Flax (Scutched)								
Output (Thousand Metric Tons)	69.7	0	0.7	12.6	8.0	3.9	38.1	6.4
Percent Increase over 1952	1.6		0.0	3.3	0.0	0.0	0.0	12.3
Percent Increase over 1938	-18		133	-33	-52	11	-4	2
Hemp								
Output (Thousand Metric Tons)	65.3	0	5.2	4.1	1.9	16.7	6.0	31.4
Percent Increase over 1952	5.2		4.0	10.8	11.8	0.0	7.1	6.8
Percent Increase over 1938	-13		27	-18	-81	22	100	4

Table 71

Livestock Numbers and Production of Selected Agricultural Crops in the European Satellites in 1953 and Percentage Changes in Production a/ 1953 over 1952 and 1938 (Continued)

Commodity	All European Satellites	Albania	Bulgaria	Czecho-slovakia	East Germany	Hungary	Poland	Rumania
Sugar Beets								
Output (Thousand Metric Tons)	18,148.3	50.0	433.3	4,242.4	5,109.5	1,866.2	5,483.9	936.0
Percent Increase over 1952	31.5	35.5	61.7	28.9	34.9	33.1	25.2	51.9
Percent Increase over 1938	4	b/	108	5	-16	111	-3	71

a. 1935-39 average.
b. Prewar production not available.

Table 72

Comparison of Livestock Numbers and Output of Selected Agricultural Crops in the European Satellites and in the USSR 1953

Commodity	Units	All European Satellites	USSR	European Satellites as Percent of USSR
Cattle	Thousands	21,080	59,400	35
Sheep and Goats	Thousands	31,000	131,300	24
Hogs	Thousands	21,292	38,500	55
Horses	Thousands	6,382	17,900	36
Breadgrains	Thousand Metric Tons	19,250	59,030	33
Coarse Grains	Thousand Metric Tons	15,660	27,610	57
Rice	Thousand Metric Tons	110	390	28
Potatoes	Thousand Metric Tons	46,194	74,800	62

Table 72

Comparison of Livestock Numbers and Output of Selected Agricultural Crops in the European Satellites and in the USSR
1953
(Continued)

Commodity	Units	All European Satellites	USSR	European Satellites as Percent of USSR
Cotton (Ginned)	Thousand Metric Tons	28	972	3
Wool (Grease)	Thousand Metric Tons	53	170	31
Flax (Scutched)	Thousand Metric Tons	70	576	12
Hemp	Thousand Metric Tons	65	178	37
Sugar Beets	Thousand Metric Tons	18,148	22,300	81

Table 73

Geographic Distribution of Imports of the European Satellites a/ b/
1936-38 Average and 1951

Million Current US $

Importing Area or Country	Bulgaria		Czechoslovakia		East Germany		Hungary		Poland		Rumania	
	1936-38 Average	1951	1936-38 Average	1951	1936-38 Average	1951	1936-38 Average	1951	1936-38 Average	1951	1936-38 Average	1951
World	55.5	135.0	329.0	963.0	443.0	482.8	130.7	385.0	226.9	924.2	126.2	296.0
West	37.1	10.0	274.1	389.1	366.5	101.0	100.1	131.7	196.3	381.1	87.2	74.0
Bloc	18.4	125.0	54.9	573.9	76.5	381.8	30.6	253.3	27.6	543.2	39.0	222.0
USSR	N.A.	86.0	3.8	280.0	10.6	210.4	0.2	N.A.	2.2	241.2	0.2	140.0
China	N.A.	c/	2.0	62.5	13.4	16.4	N.A.	N.A.	0.7	22.7	c/	c/
Bulgaria			2.6	21.3	6.4	10.3	0.7	5.1	2.8	9.8	0.1	3.5
Czechoslovakia	3.3	16.3			14.1	32.8	6.7	N.A.	7.6	84.5	17.5	N.A.
East Germany	6.2	8.8	14.1	60.4			12.0	23.5	11.5	135.6	14.0	12.0
Hungary	1.1	5.1	6.6	N.A.	11.1	14.5			1.3	28.0	5.6	N.A.
Poland	2.5	8.0	8.9	87.5	8.3	89.0	1.4	30.9			1.6	10.8
Rumania	5.3	0.9	16.8	N.A.	12.6	8.4	9.6	N.A.	1.5	12.5		
Residual		-0.1	0.1	62.2				193.8		8.9		55.7

a. See Appendix B, paragraph 2, a, for statement on methodology and sources.
b. Not including Albania.
c. Less than $100,000.

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Table 74

Geographic Distribution of Exports of the European Satellites a/ b/
1936-38 Average and 1951

Million Current US $

Importing Area or Country	Bulgaria		Czechoslovakia		East Germany		Hungary		Poland		Rumania	
	1936-38 Average	1951	1936-38 Average	1951	1936-38 Average	1951	1936-38 Average	1951	1936-38 Average	1951	1936-38 Average	1951
World	184.5	128.0	363.3	852.0	568.0	659.8	158.6	397.0	214.4	761.6	182.8	227.0
West	171.2	11.0	298.1	328.9	480.7	113.0	133.7	124.3	188.2	323.9	142.4	37.0
Bloc	13.3	117.0	65.2	523.1	87.3	546.8	24.9	272.7	26.2	437.7	40.4	190.0
USSR	N.A.	67.0	7.3	240.0	14.6	301.8	0.2	N.A.	2.9	180.4	0.2	140.0
China	N.A.	c/	7.4	40.0	14.9	15.9	0.2	N.A.	1.1	26.1	0.3	c/
Bulgaria			2.7	16.3	6.2	9.3	1.0	4.4	1.8	7.6	1.3	0.9
Czechoslovakia	2.8	21.3			14.1	60.2	5.4	N.A.	9.4	87.5	15.3	N.A.
East Germany	6.4	11.8	14.1	33.0			11.1	14.5	8.3	88.1	12.6	8.4
Hungary	0.7	4.4	7.4	N.A.	12.0	23.5			1.3	30.9	8.6	N.A.
Poland	3.0	9.8	7.2	84.5	11.5	122.5	1.4	28.0			2.1	12.5
Rumania	0.4	3.5	18.9	N.A.	14.0	12.0	5.6	N.A.	1.4	10.8		
Residual		-0.8	0.2	109.3		1.6		225.8		6.3		28.2

a. See Appendix B, paragraph 2, a, for statement on methodology and sources.
b. Not including Albania.
c. Less than $100,000.

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Table 75

Trade of the European Satellites a/ with the West b/
1948 and 1953

Thousand US $

	Imports		Exports	
	1948	1953	1948	1953
Bulgaria				
US and Canada	2,429	10	3,040	335
Western Europe	15,455	26,692	17,726	24,005
Latin America	22	N.A.	25	N.A.
Near East and Africa	16	2,533	2,801	3,511
Far East	214	1,317	N.A.	7
Australia and New Zealand	12	N.A.	238	1
Czechoslovakia				
US and Canada	36,070	170	27,988	5,144
Western Europe	300,182	63,544	322,745	134,498
Latin America	26,578	7,888	20,463	14,529
Near East and Africa	22,354	10,189	34,157	20,640
Far East	17,377	15,994	15,516	11,255
Australia and New Zealand	3,425	10,029	15,250	3,943
East Germany				
US and Canada	N.A.	856	N.A.	7,400
Western Europe	12,170	126,626	33,667	142,495
Latin America	N.A.	N.A.	N.A.	N.A.
Near East and Africa	N.A.	324	N.A.	111
Far East	N.A.	692	N.A.	6,656
Australia and New Zealand	N.A.	1	N.A.	1,163
Hungary				
US and Canada	9,734	64	1,725	2,006
Western Europe	81,304	66,676	83,643	37,844
Latin America	906	1,668	461	112
Near East and Africa	5,082	9,923	6,546	6,973
Far East	1,432	1,028	466	4,017
Australia and New Zealand	72	464	307	462

Table 75

Trade of the European Satellites a/ with the West b/
1948 and 1953
(Continued)

Thousand US $

	Imports		Exports	
	1948	1953	1948	1953
Poland				
US and Canada	67,454	474	1,294	15,250
Western Europe	218,391	154,628	330,067	227,675
Latin America	28,198	17,088	4,712	6,014
Near East and Africa	7,810	7,658	3,500	8,747
Far East	14,847	11,230	3,179	2,398
Australia and New Zealand	5,049	14,609	359	88
Rumania				
US and Canada	8,780	122	504	369
Western Europe	22,087	64,718	35,340	61,521
Latin America	17,455	4,070	3,445	3,446
Near East and Africa	1,073	1,801	5,070	7,235
Far East	1,277	92	166	8
Australia and New Zealand	6	811	7	3

a. Excluding Albania.
b. 1953 data are based on incomplete reports and should be considered preliminary and subject to change. See Appendix B, paragraph 2, b, for statement on methodology and sources.

Table 76

Commodity Trade of Bulgaria with the West a/*
1951 and 1952

Thousand US $

Commodity	1951 Value	1952 Value
Imports (FOB)		
Textile Fibers and Manufactures		
Wool Yarns and Fabrics	187	2,241
Cotton Yarns and Fabrics	177	1,538
Synthetic Fibers	333	1,003
	827	5,315
Iron and Steel Manufactures	214	1,493
Chemicals		
Dyeing and Tanning Materials	1,029	1,492
	1,227	2,834
Machinery	2,113	2,654
Total Imports	6,543	15,519
Exports (CIF)		
Foodstuffs		
Dairy Products, Eggs, and Honey	1,073	2,526
Fruits and Vegetables	2,012	2,451
Cereals and Preparations	523	5,319
	4,025	10,889
Tobacco and Manufactures	3,020	231
Unmanufactured Wood and Lumber	711	447

* Footnote for Table 76 follows on p. 135.

Table 76

Commodity Trade of Bulgaria with the West a/
1951 and 1952
(Continued)

Thousand US $

Commodity	1951 Value	1952 Value
Clays, Stones, Sand, and Gravel	507	392
Essential Oils and Perfumes	1,253	732
Total Exports	11,477	15,817

a. See Appendix B, paragraph 2, c, for statement on methodology and sources.

Table 77

Commodity Trade of Czechoslovakia with the West a/*
1951 and 1952

Commodity by Principal Country	1951 Quantity (Metric Tons) b/	1951 Value c/ (Thousand US $)	1952 Quantity (Metric Tons) b/	1952 Value c/ (Thousand US $)
Imports (FOB) d/				
Butter				
Sweden	4,985	5,090	499	529
Denmark	0	0	304	380
		5,107		1,423

* Footnotes for Table 77 follow on p. 141.

Table 77

Commodity Trade of Czechoslovakia with the West a/
1951 and 1952
(Continued)

Commodity by Principal Country	1951 Quantity (Metric Tons) b/	1951 Value c/ (Thousand US $)	1952 Quantity (Metric Tons) b/	1952 Value c/ (Thousand US $)
Fish and Products				
Denmark	4,061	664	1,888	281
Iceland	2,997	945	2,730	968
Netherlands	1,495	143	4,372	495
Sweden	3,971	451	2,781	355
Total		3,160		2,755
Fruits and Vegetables				
Italy	13,626	2,149	14,278	2,533
Netherlands	10,150	825	19,082	802
Total		3,876		4,922
Crude Rubber				
Malaya (Long Tons)	9,522	10,351	17,206	11,814
Nigeria (Thousand Pounds)	3,517	1,945	N.A.	N.A.
Total		12,612		12,743
Raw Wool Tops, Noils, and Hair				
Australia (Thousand Pounds)	4,360	7,282	3,167	2,616
New Zealand (Thousand Pounds)	1,551	2,138	4,187	1,687
Belgium - Luxembourg	698	3,206	151	368
UK	2,370	3,008	1,025	904
France	606	1,864	437	550
Total		18,797		6,638

Table 77

Commodity Trade of Czechoslovakia with the West a/
1951 and 1952
(Continued)

Commodity by Principal Country	1951 Quantity (Metric Tons) b/	1951 Value c/ (Thousand US $)	1952 Quantity (Metric Tons) b/	1952 Value c/ (Thousand US $)
Raw Cotton				
Turkey	5,243	8,100	4,709	4,972
Egypt	12,576	27,147	10,954	20,403
Pakistan (Bales)	8,630	2,268	N.A.	2,059
Brazil	1,863	3,164		
Total		42,022		28,678
Iron and Steel				
Austria	34,509	9,765	10,306	4,398
Germany	39,706	4,098	10,972	2,272
Belgium - Luxembourg	16,948	2,265	6,415	1,363
Italy	2,819	829	5,333	1,600
Total		19,893		11,642
Electric Machinery and Parts				
Austria	N.A.	1,255	368	1,587
Belgium - Luxembourg	N.A.	1,065	426	992
Germany	N.A.	1,258	159	919
Sweden	N.A.	1,707	260	1,139
Italy	N.A.	1,845	85	231
Total		11,166		7,554
Zinc, Scrap, and Semimanufactures		7,718		327
Chemicals				
Coal Tar Dyestuffs and Paints				
Germany	276	2,041	43	269
Other OEEC	N.A.	3,682		2,032
Subtotal		5,826		2,301

Table 77

Commodity Trade of Czechoslovakia with the West a/
1951 and 1952
(Continued)

Commodity by Principal Country	1951 Quantity (Metric Tons) b/	1951 Value c/ (Thousand US $)	1952 Quantity (Metric Tons) b/	1952 Value c/ (Thousand US $)
Chemicals (continued)				
Medicinal and Pharmaceutical Products				
Belgium - Luxembourg	32	528	14	224
Denmark	27	547	25	434
Germany	46	793	6	292
Netherlands	30	566	34	398
UK	N.A.	185	N.A.	146
Subtotal		4,830		3,178
Total		20,455		12,800
Ball, Needle, and Roller Bearings				
Italy	478	1,529	411	1,907
Switzerland	N.A.	N.A.	74	309
Austria	160	196	188	861
Total		3,757		3,655
Total Imports (FOB)		257,717		161,239
Exports (CIF)				
Foodstuffs				
Sugar and Preparations				
UK	N.A.	3,714	2,070	782
Germany	34,361	7,009	25,725	4,493
Norway	13,090	2,537	12,702	2,257
Sweden	44,818	6,829	32,385	5,936

Table 77

Commodity Trade of Czechoslovakia with the West a/
1951 and 1952
(Continued)

Commodity by Principal Country	1951 Quantity (Metric Tons) b/	1951 Value c/ (Thousand US $)	1952 Quantity (Metric Tons) b/	1952 Value c/ (Thousand US $)
Foodstuffs (continued)				
Austria	20,249	4,808	12,290	2,765
Denmark	1,349	274	0	0
Subtotal		25,171		23,417
Cereals and Preparations				
Switzerland	20,793	2,937	30,056	4,904
Belgium - Luxembourg	6,624	872	12,104	1,725
Austria	0	0	6,728	1,157
Germany	13,261	1,903	20,470	2,857
Italy	7,222	1,065	11,755	1,677
Subtotal		8,116		14,246
Total		54,893		50,299
Fruits and Vegetables				
Belgium - Luxembourg	1,163	1,160	410	1,232
France	7,691	839	9,992	792
Austria	1,562	340	11,595	1,844
Total		7,504		7,151
Paper, Paperboard, and Manufactures				
Italy (1951 - Thousand Pounds)	6,449	1,310	897	129
Netherlands	1,529	525	1,278	249
Brazil	2,456	699	870	315
Indonesia	2,622	1,028	528	831
France	4,216	1,405	470	125
Total		7,457		4,903

Table 77

Commodity Trade of Czechoslovakia with the West a/
1951 and 1952
(Continued)

Commodity by Principal Country	1951 Quantity (Metric Tons) b/	1951 Value c/ (Thousand US $)	1952 Quantity (Metric Tons) b/	1952 Value c/ (Thousand US $)
Cotton Yarn, Fabrics, and Manufactures				
Turkey	1,202	4,691	841	2,682
Total		10,967		9,136
Wool Yarn, Fabrics, and Other		7,122		1,878
Coal and Related Fuels				
Austria	710,142	10,485	532,292	8,888
Germany	392,949	2,379	563,943	4,018
Italy (Short Tons)	84,670	1,729	61,071	1,321
Total		16,183		15,190
Clay, Stone, and Other Nonmetallic Minerals				
Turkey	11,926	1,614	8,249	1,150
Netherlands	21,621	2,196	6,670	837
Italy (1951, Thousand Pounds)	46,419	2,081	7,296	1,281
Germany	44,003	1,246	52,176	1,616
Brazil	9,354	1,281	4,450	1,584
Austria	38,347	1,025	51,604	680
UK	N.A.	1,206	N.A.	1,068
Total		19,890		17,141

Table 77

Commodity Trade of Czechoslovakia with the West a/
1951 and 1952
(Continued)

Commodity by Principal Country	1951 Quantity (Metric Tons) b/	1951 Value c/ (Thousand US $)	1952 Quantity (Metric Tons) b/	1952 Value c/ (Thousand US $)
Iron and Steel Manufactures				
Sweden	14,719	3,098	7,302	1,532
Switzerland	4,061	851	1,254	314
Netherlands	2,562	1,285	52	14
Brazil	4,318	800	211	90
Total		11,341		3,334
Road Motor Vehicles and Parts				
Austria	1,029	1,260	720	1,055
Netherlands	1,292	1,490	734	724
Sweden	N.A.	1,419	N.A.	1,908
Australia (Units)	2,040	1,985	N.A.	N.A.
Brazil	833	1,627	371	717
Total		11,205		9,764
Total Exports (CIF)		272,950		206,457

a. See Appendix B, paragraph 2, c, for statement on methodology and sources.
b. Unless otherwise specified.
c. Totals include amounts imported or exported from countries other than those listed.
d. Free on board.
e. Cost, insurance, and freight.

Table 78

Commodity Trade of East Germany with the West a/*
1951 and 1952

Commodity by Principal Country	1951 Quantity (Metric Tons) b/	1951 Value c/ (Thousand US $)	1952 Quantity (Metric Tons) b/	1952 Value c/ (Thousand US $)
Imports (FOB) d/				
Foodstuffs				
Dairy Products				
Sweden	N.A.	3,135	4,260	4,323
Denmark (1951, Thousand Pounds)	4,793	1,778	3,774	3,650
Netherlands	4,024	4,194	1,733	1,774
Subtotal		9,752		11,149
Live Animals and Meat Products				
Denmark	26,118	10,201	8,240	2,794
Subtotal		10,910		3,522
Fish and Products				
West Germany	18,449	5,368	166	31
Norway	73,497	3,262	42,847	4,504
Sweden	N.A.	3,000	0	0
Subtotal		13,153		12,388
Fruits and Vegetables				
Denmark	N.A.	1,292	14,631	1,760
Subtotal		2,010		6,300
Total		42,366		41,181

* Footnotes for Table 78 follow on p. 146.

Table 78

Commodity Trade of East Germany with the West a/
1951 and 1952
(Continued)

Commodity by Principal Country	1951 Quantity (Metric Tons) b/	1951 Value c/ (Thousand US $)	1952 Quantity (Metric Tons) b/	1952 Value c/ (Thousand US $)
Woodpulp, Waste Paper, Paper Base Stock				
Sweden	N.A.	1,685	1,839	553
West Germany	723	479	N.A.	N.A.
Total		2,186		1,613
Fertilizers				
Belgium - Luxembourg	131,692	3,076	89,411	2,267
Total		3,077		4,013
Coal				
West Germany	371,101	3,796	0	0
Total		3,796		0
Iron and Steel Manufactures				
West Germany	42,749	4,796	30,234	4,810
Sweden	4,834	1,452	4,919	2,303
Total		8,461		9,564
Total Imports (FOB)		94,585		114,146

Table 78

Commodity Trade of East Germany with the West a/
1951 and 1952
(Continued)

Commodity by Principal Country	1951 Quantity (Metric Tons) b/	1951 Value c/ (Thousand US $)	1952 Quantity (Metric Tons) b/	1952 Value c/ (Thousand US $)
Exports (CIF) e/				
Foodstuffs				
Cereals and Preparations (Wheat and Flour Mill Products)				
Sweden	14,965	1,572	0	0
West Germany	5,243	365	780	472
Total		2,170		970
Paper and Paperboard Manufactures				
Netherlands	2,236	475	566	161
West Germany	1,745	458	2,610	443
Total		1,209		1,336
Fertilizers				
Sweden	115,112	3,099	81,216	2,076
Netherlands	111,701	2,373	112,115	2,247
UK	N.A.	5,895	80,147	2,946
Belgium - Luxembourg	120,654	2,041	92,468	1,795
Denmark	113,602	2,870	210,943	5,837
Norway	75,132	2,132	99,040	2,623
Japan	32,583	1,698	35,012	1,653
Total		20,321		24,628
Coal and Related Fuels				
Austria	313,010	3,145	166,505	2,657
Sweden	N.A.	7,197	509,444	6,882
Total		11,801		12,484

Table 78

Commodity Trade of East Germany with the West a/
1951 and 1952
(Continued)

Commodity by Principal Country	1951 Quantity (Metric Tons) b/	1951 Value c/ (Thousand US $)	1952 Quantity (Metric Tons) b/	1952 Value c/ (Thousand US $)
Petroleum and Products				
West Germany	25,145	3,310	0	0
Total		3,510		611
Clay, Stones, Sand and Gravel, and Manufactures (Glass, ceramics, cement, etc.)				
West Germany	75,912	2,526	3,213	1,339
Denmark	10,540	2,700	21,549	2,941
Netherlands	5,467	1,003	160	3
Total		10,101		8,410
Chemicals				
West Germany	13,885	2,976	4,793	1,962
Sweden	N.A.	1,315	27,018	839
Denmark	N.A.	789	2,122	358
Total		7,423		6,374
Textile Fiber and Manufactures				
West Germany	1,452	5,987	2,130	5,487
Denmark	714	1,698	294	483
Total		10,588		7,303
Machinery (Electric)				
West Germany	647	686	46	97
Total		1,842		1,158

Table 78

Commodity Trade of East Germany with the West a/
1951 and 1952
(Continued)

Commodity by Principal Country	1951 Quantity (Metric Tons) b/	1951 Value c/ (Thousand US $)	1952 Quantity (Metric Tons) b/	1952 Value c/ (Thousand US $)
Nonelectric Machinery				
West Germany	1,977	3,020	637	1,997
Austria	611	1,819 f/	584	1,016
Denmark	N.A.	852	356	538
Total		9,710		11,201
Road Motor Vehicles and Parts				
Austria	216	339	302	198
Sweden		467	279	242
Total		1,150		3,524
Clothing				
Netherlands	N.A.	834	44	241
Sweden	133	343		304
Total		1,111		818
Total Exports (CIF)		101,403		120,205

a. See Appendix B for statement on methodology and sources.
b. Unless otherwise specified.
c. Totals include amounts imported or exported from countries other than those listed.
d. Free on board.
e. Cost, freight, and insurance.
f. $992,000 for office machinery.

Table 79

Commodity Trade of Hungary with the West a/*
1951 and 1952

Commodity by Principal Country	1951 Quantity (Metric Tons) b/	1951 Value c/ (Thousand US $)	1952 Quantity (Metric Tons) b/	1952 Value c/ (Thousand US $)
Imports (FOB) d/				
Textile Fibers and Manufactures				
Wool and Animal Hair				
UK (Thousand Pounds)	674	1,672	203	316
Belgium - Luxembourg	465	3,081	388	1,270
Subtotal		6,473		1,728
Raw Cotton				
Turkey	1,858	3,249	4,600	5,072
Egypt	N.A.	6,072	4,415	6,073
Subtotal		9,554		12,415
Synthetic Fibers and Manufactures				
Germany	519	847	378	395
Italy	2,148	2,504	645	946
Switzerland	251	755	211	603
Subtotal		4,785		4,366
Total		25,704		23,821
Iron and Steel Manufactures				
Austria	4,388	1,065	6,580	3,128
Belgium - Luxembourg	19,892	2,021	11,606	1,660
Germany	22,496	4,458	13,295	3,559
Total		9,862		9,752

* Footnotes for Table 79 follow on p. 150.

Table 79

Commodity Trade of Hungary with the West a/
1951 and 1952
(Continued)

Commodity by Principal Country	1951 Quantity (Metric Tons) b/	1951 Value c/ (Thousand US $)	1952 Quantity (Metric Tons) b/	1952 Value c/ (Thousand US $)
Copper and Manufactures				
Turkey	823	796		
Total		2,365		10
Chemicals				
Germany	3,869	2,235	3,889	2,375
Switzerland	551	1,314	277	828
Total		5,604		5,630
Machinery (including electrical machinery)				
Italy	1,103	2,582	353	1,488
Switzerland	749	2,916	491	1,585
Germany	3,621	4,581	N.A.	4,795
Total		13,806		11,157
Total Imports (FOB)		80,966		76,041
Exports (CIF)				
Foodstuffs				
Live Animals and Meat and Meat Products				
West Germany	5,955	2,754	4,108	619
Switzerland	N.A.	1,916	N.A.	626
Italy	N.A.	2,713	N.A.	3,278
Subtotal		8,364		6,111

Table 79

Commodity Trade of Hungary with the West a/
1951 and 1952
(Continued)

Commodity by Principal Country	1951 Quantity (Metric Tons) b/	1951 Value c/ (Thousand US $)	1952 Quantity (Metric Tons) b/	1952 Value c/ (Thousand US $)
Foodstuffs (continued)				
Dairy Products				
Austria	1,022	830	946	810
West Germany	1,677	1,244	N.A.	917
Italy	4,158	1,311	3,595	2,578
Subtotal		3,662		5,748
Cereals and Preparations				
Austria	21,690	2,852	31,675	3,930
West Germany	52,569	6,942	37,555	4,518
Switzerland	12,802	1,304	15,602	1,678
Subtotal		14,214		12,331
Sugar and Sugar Preparations				
Austria	3,823	846	6,525	1,500
West Germany	14,656	2,869	25,979	4,251
Subtotal		3,917		6,543
Total		34,075		33,851
Beverages and Tobacco				
Wine				
West Germany	5,334	882	2,205	421
Subtotal		1,137		
Tobacco				
Austria	682	536		
Subtotal		1,008		491
Total		2,145		1,223

Table 79

Commodity Trade of Hungary with the West a/
1951 and 1952
(Continued)

Commodity by Principal Country	1951 Quantity (Metric Tons) b/	1951 Value c/ (Thousand US $)	1952 Quantity (Metric Tons) b/	1952 Value c/ (Thousand US $)
Fats and Oils				
Austria	4,135	1,900	1,371	786
West Germany	2,787	1,410	736	257
Switzerland	1,494	685	127	54
Total		6,857		3,560
Hides and Skins				
Austria	58	335		
Total		1,190		152
Cotton Yarn and Fabrics and Manufactures				
Turkey	1,229	3,974	1,652	4,390
Total		5,511		8,636
Medicinal and Pharmaceutical Products		1,073		1,071
Electrical Machinery Apparatuses and Appliances				
West Germany	209	1,598	N.A.	131
Total		1,669		1,537
Total Exports (CIF)		80,134		71,852

a. See Appendix B for statement on methodology and sources.
b. Unless otherwise specified.
c. Totals include amounts imported or exports from countries other than those listed.
d. Free on board.

Table 80

Commodity Trade of Poland with the West a/*
1951 and 1952

Commodity by Principal Country	1951 Quantity (Metric Tons) b/	1951 Value c/ (Thousand US $)	1952 Quantity (Metric Tons) b/	1952 Value c/ (Thousand US $)
Imports (FOB) d/				
Rubber				
Malaya (Long Tons)	9,409	11,507	6,040	3,782
Ceylon (Thousand Pounds)	1,488	875	3,698	1,595
Indonesia	1,066	191	17,094	9,786
Total		13,573		15,195
Raw Wool				
Austria (Thousand Pounds)	21,952	32,010	6,604	5,533
New Zealand (Thousand Pounds)	15,693	20,315	12,290	8,092
Total		57,453		17,554
Raw Cotton				
Pakistan (1951 - Bales, 1952 - long tons)	38,536	10,342	10,600	12,835
Brazil	386	542	380	634
Turkey	295	468	599	540
Syria - 1951	200	546	0	0
Egypt - 1952	N.A.	N.A.	3,583	5,441
Total		15,114		19,780
Woodpulp and Paper Base Stock				
Norway (Short Tons)	3,289	500	0	0
Sweden	N.A.	10,865	8,415	3,044
Finland	N.A.	N.A.	29,389	7,150
Total		11,884		10,194

* Footnotes for Table 80 follow on p. 152.

Table 80

Commodity Trade of Poland with the West a/
1951 and 1952
(Continued)

Commodity by Principal Country	1951 Quantity (Metric Tons) b/	1951 Value c/ (Thousand US $)	1952 Quantity (Metric Tons) b/	1952 Value c/ (Thousand US $)
Machinery - all types				
Sweden	N.A.	16,230		13,693
France	N.A.	11,080		6,934
UK	N.A.	8,777		6,089
Austria	N.A.	4,522		7,338
Total		63,667		57,497
Total Imports (FOB)		294,345		229,937
Exports (CIF)				
Meat and Meat Products				
UK (Thousand Pounds)	213,371	38,049	98,326	34,500
US	2,335	3,959	4,252	7,244
Total		43,966		43,257
Coal				
Austria	1,051	21,600	940	20,480
Denmark	1,757	34,302	478	7,773
France	947	21,380	755	17,280
Sweden	N.A.	66,226	N.A.	46,768
Italy (1951-Thousand Short Tons 1952-Thousand Metric Tons)	1,169	22,217	836	15,146
Norway	139	2,709	142	2,766
Total		179,517		150,159
Total Exports (CIF)		309,309		274,885

a. See Appendix B for statement on methodology and sources.
b. Unless otherwise specified.
c. Totals include imports and exports from countries other than those listed.
d. Free on board.

Table 81

Commodity Trade of Rumania with the West a/*
1951 and 1952

Thousand US $

Commodity by Principal Country	1951 Value	1952 Value
Imports (FOB) b/		
Textile Fibers and Manufactures		
Raw Wool, Tops, and Noils		
Austria	995	N.A.
Subtotal	3,882	2,703
Raw Cotton, Linters and Waste		
Egypt	9,933	1,284
Subtotal	9,952	1,859
Cotton Yarns and Fabrics		
Italy	855	0
Subtotal	1,181	424
Synthetic Fibers		
Austria	546	276
Belgium - Luxembourg	167	0
France	1,202	200
Germany	709	551
Italy	170	19
Subtotal	2,923	1,286
Total	20,541	8,741
Iron and Steel Manufactures		
Belgium - Luxembourg	228	10,215
Total	1,911	15,602

* Footnotes for Table 81 follow on p. 154.

Table 81

Commodity Trade of Rumania with the West a/
1951 and 1952
(Continued)

Thousand US $

Commodity by Principal Country	1951 Value	1952 Value
Zinc and Manufactures (Mostly Scrap)	1,011	0
Chemicals		
Medicinal and Pharmaceutical Products		
West Germany	316	679
Subtotal	597	1,396
Dyeing, Tanning, Coloring Materials	1,123	763
Fertilizers	713	954
Total	2,469	5,118
Machinery		
Power-Generating Machines and Parts	3,878	2,052
Machine Tools and Metalworking Machinery	1,954	730
Mining and Construction Machinery	118	2,542
Electric Machinery and Parts	1,844	4,916
Total	10,724	12,333
Total Imports (FOB)	45,964	51,057
Exports (CIF)		
Foodstuffs		
Cereals and Preparations	7,966	10,280
Total	11,038	11,298
Fats and Oils	741	10
Unmanufactured Wood and Lumber	1,191	3,532
Total Exports (CIF)	26,756	27,679

a. See Appendix B, paragraph 2, c, for statement on methodology and sources.
b. Free on board.

APPENDIX B

METHODOLOGY

1. Sections III and IV.

The method of computing GNP and production indexes is the same as that used in ORR Project 13.117, European Satellite National Accounts (to be published). In this instance, the prices that were used in constructing production indexes were as follows: (a) For Czechoslovakia the prices are average prices, as of 1 January 1948, used for planning purposes; (b) for East Germany, also, planning prices are used which, while effective as of 1 January 1953, are based on 1950 prices. They are average, wholesale prices and do not necessarily represent actual prices received; (c) for Hungary the planning prices used are as of 1949; (d) Hungarian planning prices are used also to compute production indexes for Bulgaria, Poland, and Rumania.

The projections of Satellite GNP to 1956 have been made by taking the following into consideration: (a) the yearly growth of GNP in recent years, (b) ORR production estimates, and (c) revised economic plans of the Satellites.

The computation of absolute GNP (in 1951 US dollars) for the European Satellites rests on estimates of prewar (1938*) GNP for the same countries, which were developed using the prewar currency of each nation. These estimates were then adjusted to secure international comparability of GNP concepts and to allow for boundary changes. The resulting data were converted to US dollars employing the purchasing power exchange rates between the local currency and US dollars of 1925-34 purchasing power in the US.** The general price index was used in converting from Clark's International Units or from 1938 to 1951 prices. Here a

* In the case of Rumania, paucity of data required the employment of a 1929 estimate which was adjusted to 1938 on the basis of per capita GNP.

** See Colin Clark, Conditions of Economic Progress, 1st and 2nd Editions, "International Units."

simple average of the US wholesale price index and the consumers price index was employed.

The resulting GNP estimates are subject to a range of error estimated at plus or minus 10 percent, with the exception of the Rumanian estimates which would have a slightly larger range of error. This range increases somewhat for the components of GNP, which are probably subject to a range of error of plus or minus 10 to 15 percent. In general, the narrower range of error applies to estimates for the commodity production sectors, for transport and communication, and for construction, and the wider range to estimates for trade and services.

2. Section VII.

a. Tables 73 and 74.

Data on the over-all foreign trade of the European Satellites for the period 1936-38 are from the Foreign Commerce Yearbook for 1939. The following two adjustments have, however, been made in the data for the purposes of this report:

(1) Soviet figures for 1936-38 include the trade of Estonia, Latvia and Lithuania.

(2) Trade applicable to what is now East Germany and to the Soviet sector of Berlin is derived from the Foreign Commerce Yearbook figures for the Germany of 1936-38. In 1936, 26 percent of German imports were destined for and 21 percent of German exports originated in the present areas of East Germany and the Soviet sector of Berlin, according to estimates in United Nations, Economic Bulletin for Europe, Vol. 1, No. 3, third quarter 1949, p. 26 (Table 1). These percentages are applied to German trade statistics for 1937 and 1938 as well.

Most of the data for 1951 are from CIA documents and reports based on Communist sources. The amount of trade with the West is computed as the difference between reported figures for total trade and for intra-Bloc trade. In some instances, reported trade between individual countries adds up to less than the independently reported intra-Bloc totals for the respective countries, leaving the unclassifiable residuals shown in the tables. To some extent the residuals are the result of known gaps in information. Reports of two countries of their trade with each other sometimes are not in

agreement. No effort has been made to reconcile such differences. East German trade with the West in 1951 is taken from US Department of Commerce compilations. Certain other data are from UN publications.

b. Table 75.

Trade with the West of each Satellite except East Germany is compiled for 1948 from CIA estimates. 182/ East Germany's trade with the West in 1948 is compiled from unadjusted trade statistics prepared by the International Economic Analysis Division, Bureau of Foreign Commerce, US Department of Commerce.

The 1953 data are derived from unadjusted Commerce figures for the part of the year for which information is available. Projections have been on a proportional basis to obtain the approximate total trade of the European Satellites with the West for the entire year 1953. The extent of these projections varies from country to country. In some cases, reported data cover only 6 to 9 months of 1953. However, figures are available in most instances for ten to 11 months.

c. Tables 76 to 81.

The data on the commodity composition of Satellite trade with the West are from tables prepared by the International Economic Analysis Division, Bureau of Foreign Commerce, US Department of Commerce, from official Western sources. This is a different, more limited set of data than that used for Table 75. The trade totals in the commodity tables are therefore not comparable with the figures on East-West trade in Tables 73 and 74 or with the data in CIA files for 1951 and 1952 which correspond to the information presented in Table 75. This disparity is due to the fact that some countries reporting trade with the European Satellites have not provided commodity breakdowns of their trade. For example, of 65 western countries reporting imports from the Satellites, only 35 provided a commodity breakdown of the total, and of 57 countries reporting exports to the Satellites in 1952, only 35 provided a commodity breakdown.

In calculating the amount of trade in certain commodities where only the percentage of total trade represented by the commodity is available, the percentage has been applied to the

commodity totals rather than to the more inclusive trade totals obtained from other sources. This is done to give a more representative picture of the commodity trade pattern. In Tables 77 to 81, the commodity figures are broken down further to indicate the principal sources of imports and the principal destinations of the exports.

APPENDIX C

GAPS IN INTELLIGENCE

1. Section I.

Many of the details of Soviet control over Satellite economies are not very well known. For instance, some mystery still surrounds the operation of CEMA. The relationship between control as exercised through the Satellite governments and control as exercised by Soviet personnel stationed in the Satellites has not been adequately established.

2. Section II.

Gaps in official statistics exist even in measures usually prepared by Satellite government statistical offices, since there are frequent changes in reporting from year to year in the same country and differences among the Satellites in emphasis. In budget reports, the amount allocated for the national economy is often not broken down to show allocations to: (a) the rural economy by investment and current expenditures; (b) heavy industry and light industry, by investment and current expenditure. Investments not made by the state but by the industrial enterprises and the agricultural producers cooperatives are not always published.

The national income is frequently used as a base from which to measure state investment, consumption, and so on. This base, however, is seldom quantified, and its major sources are rarely specified except for parts of the state revenue.

Exact production goals are seldom given; instead plans are in terms of percentage increase over previous production. Where percentages are specified the areas included are not defined and are sometimes doubtful.

3. Sections III and IV.

The commodity reporting base of the production indexes on the basis of which GNP indexes are calculated should be broadened. Additional information is needed on the trade and services sectors

of the economy to add precision to estimates in this area of economic activity. Additional research is needed on prices. At present there are no usable lists of local prices for Bulgaria, Poland, and Rumania, and the prices that are available for Czechoslovakia, East Germany, and Hungary need further refinement and research. Productivity estimates await the collection of the necessary data. Additional research is needed in order to break down GNP by uses.

4. Section V.

The quantification of changes in consumer welfare through the estimation of the availability of various categories of consumer goods requires estimates not only of domestic production but also of imports and/or exports of such goods and of changes in stocks. Detailed information on the commodity composition of trade and on stocks, including state reserves, is lacking in many instances. The measurement of consumer welfare according to the relationship between consumer goods prices and workers' wages, is not yet possible owing to the lack of data in both categories -- wages and prices.

5. Section VI.

Additional information is needed on the disposition of the work force, by industry, and by occupation.

6. Section VII.

A major gap in foreign trade intelligence is lack of data on commodity composition of intra-Soviet Bloc trade. The available data on trade in general are difficult to handle because, coming both from Western and Bloc sources, they are in many cases irreconcilable. Also, since the data are in terms of current prices it would be desirable to deflate the statistics by use of a price index to convert the figures into real terms. A suitable price index is not available, however.

APPENDIX D

SOURCES AND EVALUATION OF SOURCES

1. Evaluation of Sources.

Sections III, IV, VI, and most of Section VII, together with the related appendix tables, are not documented. Detailed sources for these parts of the report are available in ORR files. The GNP and production indexes in Sections III and IV are computed from CIA estimates of production of goods and services, using the methodology described in Appendix B. The population and labor force statistics in Chapter VI are CIA estimates based on various sources. A general description of the sources of the basic foreign trade data in Section VII and Tables 73 to 81 is included in the statement on methodology in Appendix B.

2. Sources.

Evaluations, following the classification entry and designated "Eval.," have the following significance:

Source of Information	Information
Doc. - Documentary	1 - Confirmed by other sources
A - Completely reliable	2 - Probably true
B - Usually reliable	3 - Possibly true
C - Fairly reliable	4 - Doubtful
D - Not usually reliable	5 - Probably false
E - Not reliable	6 - Cannot be judged
F - Cannot be judged	

"Documentary" refers to original documents of foreign governments and organizations; copies or translations of such documents by a staff officer; or information extracted from such documents by a staff officer, all of which may carry the field evaluation "Documentary."

Evaluations not otherwise designated are those appearing on the cited document; those designated "RR" are by the author of this report. No "RR" evaluation is given when the author agrees with the evaluation on the cited document.

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